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POLITICS OF GROSS NATIONAL HAPPINESS

Governance and Development in Bhutan

Kent Schroeder

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For Korice

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CHAPTER 1

Introduction

Abstract The Himalayan country of Bhutan is implementing a multidimensional development strategy known as Gross National Happiness (GNH). The uniqueness of GNH and its accompanying governance framework has attracted significant international interest. Yet little is known about how GNH policies are actually implemented on the ground in the context of competing power dynamics among diverse governance actors. This chapter frames and contextualizes this issue. It further argues that analysing the role of Bhutan's GNH governance framework in shaping power dynamics can provide broader insights for governance and human development. This chapter discusses the state-in-society approach as the study's analytical lens and reviews the study's methodology. It concludes with an overview of the book's structure.

Keywords Bhutan · Governance · Gross national happiness · Human development · Policy implementation · Power · State-in-society approach

Bhutan's capital city, Thimphu, is perhaps best known as the only capital in the world without a traffic light. The official arrival of television in the country did not occur until 1999, and the first road was not constructed until 1962. Bhutan, it would seem, is a country of little global significance. Wedged into the Himalayas between two regional giants, India and China, it is an isolated and mountainous country inhabited by less than

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one million people. The country has few resources in demand by the global economy and was largely closed off to the outside world until 1960. But Bhutan is significant. Jigme Singye Wangchuck, Bhutan's fourth king, coined the phrase Gross National Happiness and famously declared "Gross National Happiness is more important than gross national product". The concept of Gross National Happiness, or GNH, articulates an understanding of development that moves beyond economic growth and incorporates multiple and interrelated social, economic, cultural, environmental, and governance dimensions. It is an attempt to construct development in a holistic manner that addresses the multiple dimensions of being human. Bhutan has made significant development gains since the inauguration of GNH as its national development strategy. Gross National Happiness is also gaining significant international traction as an applied model of multidimensional development. In 2011, the United Nations designated Bhutan to lead the design of an international happiness-focused development paradigm. Jeffrey Sachs, Joseph Stiglitz, Vandana Shiva, Ban Ki-moon, and even Prince Charles—a who's who of the global development community—participated in the UN's High Level Meeting to initiate the process. The results of Bhutan's efforts ultimately helped shape the 2030 Agenda for Sustainable Development. Bhutan may be tiny but its outsized influence has put it at the forefront of putting a multidimensional development approach into action.

The growing international profile of Gross National Happiness speaks to its importance as an applied model of multidimensional development. But a curious situation exists. International enthusiasm is not matched by a clear understanding of the factors that drive the actual implementation of GNH within Bhutan itself. Conceptually, GNH is intriguing; operationally, its key drivers remain largely unknown. This is a critical issue as GNH policy is implemented by multiple and fragmented Bhutanese governance actors with competing political interests and development priorities. In this context, how does Bhutan actually put multidimensional GNH policies into action on the ground? Do competing interests impact the implementation process and, if so, how are they governed? Is it even accurate to speak of Bhutan's development outcomes as being derived from GNH? Answering these questions is necessary if we are to more fully understand the potential of GNH in Bhutan. Answering them is further necessary if we are to better assess whether Bhutan's experience offers insights for the effective governance of human development more broadly. This book explores these questions.

1 Gross National Happiness and Human Development

The growing international appeal of GNH is rooted in the global development community's increasing turn to multidimensional approaches like the human development paradigm. Happiness, though, has a somewhat complicated relationship with human development. Both the happiness approach and human development are multidimensional development strategies that move beyond the traditional focus on economic growth. Yet some remain wary of engaging happiness as part of human development (Stewart 2014), while others see synergies (Bruni et al. 2008), and still others embrace it (Hirai et al. 2016). Key differences involve the ultimate ends of each approach as well as the nature of measurement. But in the context of governance and their practical application on the ground, the two are clearly connected. Human development and its accompanying measurement tool, the human development index, have become a dominant development paradigm promoted by the United Nations Development Programme (UNDP). The paradigm draws heavily on the capability approach developed by Amartya Sen, Martha Nussbaum, and others by conceptualizing development as increasing people's freedoms to choose meaningful lives (Alkire 2005; Nussbaum 2000; Robeyns 2005; Sen 1999). Practically, it focuses on creating enabling conditions that expand people's economic, social, and political choices so they can choose the kind of lives they have reason to value: healthy, educated, economically secure, and politically free. GNH treads similar ground. Based on a framework of four integrated pillars, later expanded to nine domains, it focuses on creating enabling conditions that promote the social, economic, environmental, cultural, and governance conditions that allow the Bhutanese to choose happy lives. The GNH framework, described in detail in Chap. 2, conceptualizes happiness not in the western notion of an individual's often fleeting subjective happiness, but as a more foundational condition rooted in Buddhism with inherent ties to others and the environment. GNH creates the conditions for individuals and society to freely pursue this kind of happiness.

GNH differs from the human development paradigm in its foundation in Buddhism. It also differs in its ultimate goal: promoting happiness as opposed to human development's focus on agency, or empowerment, through choices. Despite these conceptual differences, both the Bhutanese government and UNDP recognize the compatibility

of the two approaches in practice. The Bhutanese government has argued that the human development paradigm's focus on choices makes it a means to happiness, which is the end goal of development. The happiness focus of GNH therefore represents the larger end to which the human development paradigm contributes (Royal Government of Bhutan 2005, p. 18). Both the Bhutanese government and UNDP further state that the mutual focus of GNH and human development on creating an enabling environment for people to reach their full potential makes the two approaches "wholly compatible and complementary" in practice (GNH Commission/UNDP 2011, p. 16). Analyzing Bhutan's governance experience implementing GNH on the ground will provide insight for the implementation of applied human development strategies elsewhere.

2 Governance: A Key Ingredient for Success

Conceptualizing an applied multidimensional development strategy like GNH is one thing. Putting it into practice is quite another. Effective governance is the foundation upon which to operationalize development strategies (Grindle 2007; Hume et al. 2015; Kaufmann et al. 1999; Smith 2007). Unlike the concept of government, which is restricted to state actors, governance involves the interactions among networked public, private sector, and civil society actors in the exercise of power. It focuses on the rules, norms, values, and processes that structure these interactions. Governance means people are not merely the objects of development; they are active participants in achieving their own development. This is critical for multidimensional development models like GNH and human development that put people at the centre. Individual agency and collective action are a central part of development decision-making and action. Governance processes and structures that effectively incorporate and mobilize the participation of both non-state and state actors are vital to the successful implementation of multidimensional approaches like GNH and human development.

Fostering this kind of broad participation, however, introduces a complex cocktail of different and potentially competing interests. How such competing interests might be navigated and harmonized to successfully achieve multidimensional development outcomes remains poorly understood, particularly on a national scale. Insights from the human development and capability approach literature are mixed. Much attention

has been devoted to exploring the "evaluative aspect" of human development which focuses on the nature of its multiple dimensions and how they can be best measured (Chatterjee 2005; Hou et al. 2015; Noorbakhsh 1998; Ranis et al. 2006). Much less satisfactory attention has addressed the "agency aspect" or what people can do to actually achieve such improvements through political change and the implementation of policy. Amartya Sen has done perhaps the most significant work on the agency aspect (Sen 1999, 2009). He outlines the need for deliberative democratic processes to engage people's participation in putting human development into action. Central to his work is the notion of the rational and reasoning individual within such deliberative processes. Sen's rational individual is not uncompromisingly self-interested or purely values-driven. The rational individual pursues personal well-being but is capable of socially responsible reasoning as well. Deliberative and participatory democracy, for Sen, is the forum for engaging individuals in reasoned discussion that leads to rational social action for achieving human development outcomes.

Sen's embrace of deliberative democracy provides a useful starting point. It directs attention to how decision-making among governance actors might be framed in order to implement human development strategies. But the notion of rational individuals within deliberative processes downplays the role of power in human development (Deneulin 2006, Chap. 4; Esquith and Gifford 2010; Hill 2003; Johnson 2009, pp. 116–121; Mukherjee Reed 2008). By constructing the reasoning individual primarily as a rational decision-maker, the multiple other roles and identities individuals inhabit and the institutions and social arrangements within which they exist are neglected in terms of how they shape, change, or reproduce the practices of empowerment or disempowerment (Elson 1997; Hill 2003). The annual *Human Development Report*s put out by UNDP provide little further help. Several of the reports discuss the need for fostering democratization, decentralization, human rights, and local participation to drive human development outcomes (UNDP 1993, 2000, 2002). But as a whole, the analysis in these reports offers little more than an ambiguous focus on democracy and participation that pays little attention to effectively addressing power dynamics. The 2014 report goes further in addressing structural power dynamics that may create vulnerabilities (UNDP 2014). Yet it, too, does not go far enough in assessing how people might address inequitable structures (Deneulin 2016). Sakiko Fakuda-Parr (2009, p. 121) sums up the reports best,

arguing they "have not developed a more elaborate understanding of how collective action can be facilitated, where it can be effective, what can go wrong". Overall, the result is an incomplete theory of action based on an insufficient notion of individual rationality. The idealistic approach to power is unsatisfactory for the complexities of the real world (Gasper 2002, pp. 451–454; Stewart and Deneulin 2002).

The incomplete understanding of power has significant implications for the policy process and for policy implementation in particular. The emphasis on rationality assumes the translation of democratic preferences into human development policies and programs largely unencumbered by power dynamics (Stewart and Deneulin 2002: pp. 63–64). There is a direct causal link implicit between rational democratic public reasoning on the one hand and the implementation of resulting human development policies and programs on the other (see, e.g., Sen 1999, pp. 254–257). Where unintended consequences occur, they are explained as a result of not taking rational thought far enough. For the policy process, this means policy design, implementation, and outcomes become linked in a rational, largely predictable assembly line. A long history of public policy research argues that this is not the case (Baumgartner and Jones 1991; Ingram et al. 2007; Sabatier and Jenkins-Smith 1993; Stone 2002). Governance actors involved in policy implementation in particular may reshape or undermine the original intentions of policy design as they engage with the implementation process (Elmore 1979; Gormley 1989; Lipsky 1980; Prottas 1979). Policy implementation in the Global South is especially subject to being reshaped by contested power dynamics due to often scarce resources and the remoteness of the policy design process (Ridde 2009; Morah 1996). Unplanned, unexpected, or distorted policy outcomes are the result. Operationalizing an approach like Gross National Happiness therefore faces a key challenge. The multidimensional nature of the approach introduces a broader range of state and non-state governance actors who may strive to imprint their competing priorities onto the policy implementation process, potentially undermining the achievement of intended outcomes. A better understanding of the politics of implementing multidimensional policies like GNH is necessary as is an understanding of the governance processes and tools that may successfully shape and harmonize competing power dynamics. Doing so will provide clearer insights into the effective implementation of GNH in Bhutan and human development strategies elsewhere.

3 Why Bhutan?

Exploring governance and power in the implementation of GNH policies has a logic rooted in Bhutan's lengthy experience with its multidimensional model. Bhutan's depth of on-the-ground experience is unmatched in the world. While other countries have incorporated an evaluative component to measure human development policy outcomes, Bhutan has moved further. It has attempted to institutionalize an integrated GNH governance framework that crosses the entire policy process including policy implementation. Driven by decentralization, democratization, and public sector reform, the GNH governance framework has evolved to include broadened and deepened participation by civil society, the private sector, international donors, and decentralized levels of government. The framework further incorporates a range of unique GNH-specific policy tools intended to bridge the potentially competing interests and actions of these expanded governance actors to successfully promote GNH policy outcomes. The length of Bhutan's experience and the uniqueness of its GNH governance framework make it an outlier case that can provide insights that other cases cannot. As an outlier, Bhutan's experience can be used as what George and Bennett (2005) term a heuristic case study. Such cases contribute to theory building not by testing hypotheses but by generating new variables or causal insights through inductive analysis. Causal insights from the Bhutanese case can begin to lay a foundation for a deeper understanding of how governance frameworks might shape power dynamics within human development strategies more generally.

The apparent development outcomes driven by Gross National Happiness further point to the value of looking at Bhutan's experience. Prior to the emergence of GNH, daily life in Bhutan in the 1960s was unlike most other places on earth. The country had no motorable roads, its economy was based on subsistence agriculture and bartering, and life expectancy and per capita income were among the lowest in the world. In contrast, Bhutan's most recent national *Human Development Report*, published by UNDP and Bhutan's Gross National Happiness Commission in 2011, paints a significantly different picture (GNH Commission/UNDP 2011). Bhutan's hydropower potential has been harnessed to drive annual economic growth of 7.8% since the 1990s and 8.7% between 2005 and 2010, ranking it second only to China among its neighbours. Education is free from pre-primary school through class 10, and the country's mean years of schooling is now the same

as China's, moving Bhutan from the lowest in the region in 1980s to the highest. Health care is also free. Life expectancy has risen from 38 to 69 years over the last four decades, and infant mortality rates have dropped from 102.8 per 1000 live births in 1994 to 47 in 2010.

The impact on poverty in Bhutan has been significant. The rate of consumption-based poverty decreased from 32 to 12% between 2007 and 2012 (National Statistics Bureau [NSB] 2013). Longer term, Bhutan experienced the steepest reduction in poverty when compared to other countries with a poverty rate of 50–60% as of 1990 (NSB and World Bank 2014, pp. 6–7). This is dramatic. It represents an effort that has "nearly ended extreme poverty within the living memory of a generation" (NSB and World Bank 2014, p. viii). What is just as significant is that this record of socio-economic development has taken place within the context of an internationally recognized record on environmental conservation. Over 70% of the country is forested while protected areas and biological corridors make up approximately 51% of Bhutan's total area (NSB 2016, p. 88). Bhutan is also carbon negative and is committed to remaining carbon neutral in perpetuity (GNH Commission 2013, p. 64). This conservation record has been recognized globally. Bhutan's fourth king was awarded both UNEP's inaugural "Champions of the Earth" award and WWF's J. Paul Getty Award for Conservation Leadership.

Underlying all of Bhutan's social, economic, and environmental gains has been a purposeful process of political reform. Bhutan's absolute monarchy, created in 1907 to unify rival factions within the country, ended in 2008 with a peaceful transition to democracy led by the monarch himself. A peaceful transfer of power between competing political parties occurred in Bhutan's second democratic election in 2013, further consolidating its fledgling democracy. Bhutan still faces significant development challenges. Gender disparities remain in political participation despite the democratic transition. Youth unemployment is a growing problem. The economy is based on an over-reliance on the country's hydropower exports to India. GNH is also complicated by a lingering legacy of an ethnic conflict in the 1990s, an issue discussed in detail in Chap. 3. All in all, however, Bhutan's development record since initiating GNH appears to be an impressive one.

Bhutan's development successes may appear impressive but understanding how they have been achieved, including whether the GNH governance framework has helped drive their achievement, remains largely unexplored. How is GNH policy implemented on the ground in the context of competing power dynamics among governance actors and

what role does the GNH governance framework play in shaping this implementation? To explore these issues, this book analyzes the role of the GNH governance framework in the implementation of four GNH policies. The policies include tourism, media, farm roads, and human-wildlife conflict. The term "policy" is defined here as "a course of action or inaction chosen by public authorities to address a given problem or interrelated set of problems" (Pal 2006, p. 2). The selection of the four policies drew upon three-key criteria: (1) clear integration of multiple GNH dimensions within each policy field, (2) multiple state, non-state, and donor actors involved in each policy's implementation, and (3) evidence of policy outcomes that can be used to compare to policy intentions. In addition, the four policies were selected to include a mixture of centralized and decentralized policies given potential differences in implementation at the two levels. Both media and tourism are policies primarily implemented at the national level while farm road and human-wildlife conflict policies are implemented, for the most part, at the local level. The final selection of the four policies was confirmed through informal interviews with a number of academics in Bhutan. The interviews confirmed that the four policies are key development priorities of the government and not marginal policy concerns and that collecting the required data was achievable within the available time frame and funding. Overall, the selected policies provide not only a good representation of GNH but also a broad constellation of actors—state and non-state, centralized and decentralized, national and international—that enable a rich comparative analysis of the multiple interactions among multiple actors and the influence of the GNH governance framework in this process. The diversity of the four policies and actors enables a wider set of observations that strengthen the potential for drawing broader inferences.

The analysis of the four GNH policies is guided by the following question: How does Bhutan's governance framework shape the political dynamics of diverse and potentially competing state and non-state governance actors involved in implementing GNH policies? In order to answer this larger question, each of the four policies addresses a set of three further questions:

1. What are the initial GNH intentions of the selected policy?
2. How do the GNH governance structures and policy tools shape the priorities and practices of fragmented state, society, and donor actors involved in the implementation of the policy?

3. What are the resulting policy outcomes and how do they compare with initial GNH policy intentions?

4 Analyzing GNH and Governance

Critical for exploring this line of inquiry is the notion of *fragmented* governance actors both within the state and within society. In the past, influential conceptualizations of the state portrayed it as either an often autonomous force at the centre of change or a neutral or even toothless entity dominated by societal interests (Evans et al. 1985; Dahl 1961; Marx and Engels 1848 [1964]). Neither of these adequately captures the nature of relationships between and within state and society as they play out in the real world. Joel Migdal's state-in-society approach (2001) provides a more nuanced lens. It accounts for the ongoing and shifting interactions, conflicts, and alliances among various fragmented state and non-state governance actors as they try to ensure their own priorities prevail. The state-in-society approach starts from the assumption that there is not a single set of rules embedded in either the state or society that guides all behaviour. Multiple sets of formal and informal rules and priorities exist within differentiated components of the state as well as within society. These components actively pursue their own interests and priorities in practice. For Migdal, this means the state needs to be understood in dualistic terms that distinguish between its *image* and its *practices*. On the one hand, the state may effectively portray an image of cohesiveness, autonomy, and control representing the population of a given territory. On the other hand, the actual practices of its multiple internal parts may demonstrate otherwise as they compete with one another based on different interests. This dualistic conceptualization avoids inaccurately idealizing the state as an all-powerful entity that can easily turn policy intentions into policy outcomes. It also avoids understanding the state as a completely fragmented set of atomistic components pursuing their own individual interests in the absence of any unifying principle or structure. The state is a potentially contradictory entity whose coherent image is underlain with constituent parts that interact, ally, and compete with one other and with societal actors in a dynamic governance process.

Similarly, societal or non-state governance actors are also not unified and strive to impose their own individual goals and priorities on the political process. Conflict and cooperation between different non-state

actors and between non-state and state actors are therefore inevitable. Multiple sites of influence emerge as multiple actors from the state and society engage in different contexts and attempt to influence policy. A mixture of struggles, alliance-building, and accommodations within and across state and society is the result. Moreover, the state-in-society approach argues that this complex set of interactions is often transformative and unpredictable. The goals and priorities of differentiated components of both the state and society change as they interact with one another; both state and society are in an ongoing process of mutual transformation. Changing goals and priorities further leads to emergent and unexpected outcomes. In the case of policy implementation, the result is a frequent disconnection between the initial intentions of policy design and the actual policy outcomes that emerge from policy implementation. No linear causal link exists between them regardless of how well defined the policy is or the amount of resources available for its implementation.

Applying Migdal's state-in-society analytical lens requires disaggregating the state and analyzing the practices of its multiple components as they engage with one another and with fragmented non-state actors. Such disaggregation is particularly valuable in Bhutan's case for analyzing the role of the bureaucracy in implementing GNH. Gross National Happiness was initiated by the fourth king while he was an absolute monarch. The bureaucracy at the time was highly centralized and powerful with interests that mirrored those of the monarch. Three processes—decentralization, democratization, and public sector reform—fundamentally changed the nature of the state and the functioning of the central bureaucracy with implications for the nature of power in the implementation of GNH. Decentralization created new sub-national governments and administrations that are now key actors in implementing decentralized GNH policies. Democratization created new participation and accountability relations between citizens and all levels of government. It also now subjects the implementation of GNH to democratic politics. Public sector reforms have attempted to reshape the structure and function of the historically centralized bureaucracy through the injection, to some extent, of business management practices associated with new public management. These reforms strive to reorient the public sector towards a more entrepreneurial performance focus. Disaggregating the state and analyzing the practices of its constituent parts in the context of the changes brought on by decentralization,

democratization, and public sector reform allows for an exploration of how macro-level functioning of Bhutan's public sector is influenced by potentially unpredictable micro-level applications of power by components of the bureaucracy. This disaggregated analysis of the Bhutanese state will contribute empirical insights relevant to the larger body of work on governance. Peters and Pierre (2016) identify policy implementation as a core function of governance. They point out, however, that in the haste to more clearly understand the governance role of non-state actors, bureaucracies have become the forgotten player in the governance literature (p. 142). Moreover, much of the insight on policy implementation and governance draws on the experience of western democracies ignoring the potential influence of culture (Peters 2001, p. 77; Peters and Pierre 2016, p. 165). Disaggregating and analyzing the role of Bhutan's bureaucracy in GNH policy implementation will contribute new empirical insight from a distinctly non-western governance experience.

Applying the state-in-society approach allows for an exploration of how disaggregated components of the bureaucracy engage not only with one another but also with non-state governance actors as well. Public sector reforms and democratization have created a policy space much more open to greater participation by non-state governance actors. These non-state actors, combined with multiple levels of government, all contribute to a mix of potentially different priorities in the process of GNH policy implementation. Added to this are international donors with their own interests. A diverse mix of governance actors has therefore replaced the monarchy as the players in GNH policy implementation and must engage with one another. In this context of fragmentation, GNH-specific governance processes and tools with a potential to successfully navigate and bridge competing power interests are critical. How this all plays out in practice drives the nature of policy outcomes and whether they reflect original GNH intentions.

In order to explore the policy implementation process involving Bhutan's mix of fragmented governance actors and the GNH policy tools that intend to shape their actions, this study carried out semi-structured interviews with key informants representing state, non-state, and donor actors involved in the four policies under investigation. The use of interviews reflects the methodological assumptions of the state-in-society approach. Central to the approach is a focus on process. Exploring the nature of governance practices—interactions, conflicts,

and accommodations—and the ongoing impact of these interactions on policy outcomes requires a research method that, rather than identify static preferences and their relationship to political outcomes, seeks out how interactions account for a continuous process of "becoming" (Migdal 2001, p. 23). This requires qualitative methods that do not freeze the political action in an analysis of one-way causality. Further, it requires an analysis of fragmented and disaggregated governance players instead of maintaining focus on grand struggles or accommodations of those at the top. Semi-structured interviews with governance actors at multiple levels enable such an exploration of process. An interview guide was used to provide an in-depth exploration of each respondent's understandings of GNH, their changing practices and interactions with other governance actors in the implementation of GNH-related policy, the nature and impact of various GNH policy tools on shaping these practices, and the policy outcomes that result. The interviews were open-ended, enabling the interviews to proceed naturally based on each respondent's experience and the specific nature of the individual policy field. Questions addressing individual issues were asked in multiple ways to minimize respondent bias while an external review of the interview guide was undertaken to reduce interviewer bias.

Interviews with state actors included key informants at the central, *dzongkhag* (district) and *gewog* (village block) levels of government. As Bhutan is made up of twenty *dzongkhags* and 205 *gewogs*, purposive sampling was used to identify four *dzongkhags* and nineteen *gewogs* within these *dzongkhags* for participation in the research. Both *dzongkhags* and *gewogs* were selected to reflect equal representation across the country's four regions and roughly equal distribution across high, medium, and low levels of poverty. Interviews were also undertaken with non-state governance actors, both civil society organizations and the private sector, that are involved in or have a direct stake in the implementation of the four GNH policies under investigation. Representatives of international donors involved in the four policies were also interviewed. The semi-structured interviews were supplemented by several focus groups. The focus groups explored and expanded themes that emerged from the interviews and provided a further means to reduce bias and promote validity through triangulation. In total, 157 respondents directly participated in the research through either individual or focus group interviews. All respondents and their geographic locations remain anonymous in the book. The interviews and focus groups were further supplemented by

analysis of policy documents and donor reports, site visits, and observation of relevant stakeholder meetings. Initial data collection occurred in 2011 and early 2012. Further follow-up occurred in 2013 to expand and clarify data related to emerging themes. Data on most policy outcomes were collected from 2012 to 2014 to reflect the outcomes emerging from the period of the implementation process analyzed.

Transcripts from individual interviews and focus groups, field notes from meeting observations and site visits, and government documents and donor reports were imported into NVivo software for analysis. NVivo was used to code the data guided by the research questions. Through an iterative process, the coding identified individual themes that were further aggregated into broader themes related to GNH policy intentions, policy implementation practices, and policy outcomes. These themes were then analyzed for relationships and generalizations within each policy field and across all four policy fields. A number of NVivo queries were run to supplement the analysis of themes and relationships.

5 Structure of the Book

This book analyzes Bhutan's experience in implementing four GNH policies and examines the larger implications of this experience for governance and human development more broadly. Chapter 2 provides a foundation by detailing the nature of Gross National Happiness. It outlines the multidimensional and integrated nature of GNH and explores its roots in a foundation of Buddhist-inspired cultural values. The chapter argues that GNH is not only a national multidimensional development model for Bhutan but also a defining component of, in Migdal's terms, the image of the Bhutanese state itself, portraying an autonomous and coherent entity leading the pursuit of national happiness in partnership with Bhutanese society and international donors. Despite this image, the implementation of GNH policies is subject to the competing priorities and practices of the fragmented state and non-state governance actors involved. Chapter 3 turns to a discussion of governance and GNH in light of these potentially competing priorities and actions. It explores the nature of the "GNH governance framework" including the expanded set of governance actors and the GNH-specific structures and policy tools. The chapter examines the competing interests and pressures that characterize different types of governance actors and the intended role of the GNH structures and policy tools in bridging these

competing interests. In doing so, the chapter sets the stage for the subsequent chapters that analyze the role of the GNH governance framework in the actual implementation of four GNH policies.

Chapters 4 through 7 provide the heart of the book's argument. Each chapter explores one of the GNH policies—tourism, media, farm roads, and human-wildlife conflict—and how it is implemented on the ground. Each chapter is structured in a similar way based on the research questions. First, the specific GNH intentions of the individual policy are explored. Second, the nature of the policy implementation process is analyzed, focusing on the power dynamics among governance actors and the role of the GNH structures and policy tools in addressing these competing dynamics. Third, the actual outcomes emerging from the policy implementation process are analyzed. A comparison of the outcomes with the original GNH policy intentions provides insight into the effectiveness of the GNH governance framework in shaping competing power dynamics in the implementation of each policy. As a whole, the four chapters provide a window into the effectiveness of the GNH governance framework in putting GNH policies into action.

Chapter 8 brings together the main findings that emerge from the four policy chapters and explores their implications more broadly for governance and other multidimensional approaches like human development. It argues that the process of implementing the four GNH policies is a messy one. Power is applied in fractured and unpredictable ways with no single state or non-state governance actor consistently dominating policy implementation. The GNH-specific policy implementation tools associated with the GNH governance framework do not shape these power dynamics in any meaningful way and GNH itself is often misunderstood by the very people charged with its implementation. Nonetheless, a common commitment to Buddhist-inspired cultural values—the same values that underlie GNH—often fills the void. Governance actors may engage in competing and unpredictable applications of power divorced from a common understanding of GNH and unaffected by the GNH policy tools, but their commitment to common cultural values often harmonizes their actions in a way that frequently leads to GNH outcomes. Where the expression of these values is constrained, GNH outcomes are less evident. The chapter concludes with two broader insights that emerge from these findings for governance and human development. First, it argues that a conceptualization of power as complex—fractured, unpredictable, emergent—needs to replace the

often rational notions of power that underlie the human development paradigm if we are to better understand how to effectively govern the application of human development. Second, the potentially pivotal role of cultural values as a harmonizing, yet evolving, constraint on complex power must be more fully recognized and explored for the effective implementation of human development policies. In particular, greater attention to non-western values and how they may differentiate the functioning of bureaucracies and their relationship with non-state governance partners is needed. Cultural values may not always matter to the extent they do in Bhutan, and the question of *whose* cultural values in a multicultural and multi-religious society requires further exploration, but the Bhutanese experience demands that the role of culture be taken more seriously on its own terms in the governance of human development.

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CHAPTER 2

Gross National Happiness

Abstract This chapter outlines the multidimensional and integrated nature of Gross National Happiness (GNH) and explores its roots in a foundation of Buddhist-inspired cultural values. It argues that GNH is not only a national multidimensional development model for Bhutan but also a defining component of the image of the Bhutanese state itself, portraying an autonomous and coherent entity leading the pursuit of national happiness in partnership with Bhutanese society. Despite this image, the implementation of GNH policies is subject to the competing priorities and practices of the fragmented state and non-state governance actors involved.

Keywords Bhutan · Buddhism · Cultural values · Gross National Happiness · State image

Bhutan has increasingly seeped into western consciousness. This is perhaps best reflected in the growing number of popular non-fiction works about the country written in recent years. Their titles are instructive: *A Splendid Isolation*; *Bhutan: Hidden Lands of Happiness*; *Beneath Blossom Rain*; *Married to Bhutan*; and *A Field Guide to Happiness: What I learned in Bhutan About Living, Loving and Waking up*. Collectively these works celebrate Bhutan's rugged geographic isolation, its mystical eastern spirituality, and the rural lifestyle that dominates much of its population. Bhutan, for many, is the last remaining Shangri-La. Paralleling

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this romanticized view of Bhutan are competing perceptions that harshly criticize the country for the same reasons as those who romanticize it: its isolation, non-western perspectives, and predominantly rural life. *Foreign Policy* magazine included Bhutan on its 2010 list of 60 failed states. Accompanying the list was a photo essay in the magazine entitled *Postcards from Hell*. The essay criticized Bhutan for deviating from the path of western modernization. Bhutan, it argued, is a failed state given the percentage of its population that is rural, its isolation, its preservation of traditional culture, and its rejection of traditional measures of economic growth for its own Gross National Happiness approach.

Neither of these depictions of Bhutan is particularly accurate. Bhutan is not a traditional Shangri-La nor is it a backwater hell. In both cases, perceptions of the country are a response to its uniqueness. Bhutan is an isolated and small country in a region dominated by India and China. Much of its population of less than a million people lives within the many valleys and ridges that cut through the Himalayas. Unlike most of its neighbours, Bhutan was never colonized and remained almost entirely closed off to the outside world until the 1960s. As Bhutan cautiously opened up to the world, Gross National Happiness emerged under the fourth king, who ascended the throne in 1972, as a guiding development philosophy for the country. It represented a rejection of the dominant economic growth model and embraced a balanced, holistic, and integrated approach that focuses on happiness. For those who are schooled in the economic growth model, GNH is quirky, misguided, and backwards. For those dissatisfied with an all-consuming focus on growth, GNH offers a serious attempt at implementing a multidimensional and integrated development model on a national scale.

1 Happiness as the Goal of Gross National Happiness

Gross National Happiness is rooted in the simple notion that happiness is a universal aspiration and should be the core of development. Happiness comes from a well-rounded balance of the material and non-material. The accumulation of wealth is not the desired end of development; it is only a means that is interconnected to achieving the multiple social, mental, emotional, and spiritual dimensions of being human. Moreover, genuine happiness involves an intricate link between individual and collective happiness. Both require and consolidate the other. The Gross National Happiness Commission, the apex body responsible for

operationalizing GNH in Bhutan, developed a definition of GNH that incorporates each of these components. According to Karma Tshiteem, former Secretary of the Gross National Happiness Commission, GNH is a development approach that "seeks a balance between material well-being and the spiritual, emotional and cultural needs of society" (Royal Government of Bhutan [RGoB] 2012, pp. 40–41).

All of this sounds intriguing but what does it really mean? What is the nature of the balance described by the GNH Commission? The key to understanding the nature of happiness within GNH is found in its Buddhist foundation. According to *Bhutan 2020,* the country's long-term development plan:

> [O]ur approach to development has been shaped by the beliefs and values of the faith we have held for more than 1000 years. Firmly rooted in our rich tradition of Mahayana Buddhism, the approach stresses not material rewards, but individual development, sanctity of life, compassion for others, respect for nature, social harmony, and the importance of compromise. (Planning Commission 1999a, p. 19)

This Buddhist notion of happiness distinguishes between two forms of consciousness, *dukkha* and *sukha*, which have different implications for happiness. *Dukkha* represents the notion of suffering, ranging from extreme distress to minor discomfort. Suffering may occur in the face of change where immediate and external stimulation—good food, good fun, good sex—generate short-lived feelings of satisfaction that ultimately lead to frustration due to their impermanence. This is a form of temporary pleasure that is self-centred and superficial; it is not happiness at all (McDonald 2009; Ricard 2011). *Sukha*, on the other hand, is a stable and foundational form of happiness. Human fulfilment requires the cultivation of internal spiritual, mental, and emotional components rather than reliance on external stimulation. Adequate material necessities are important to avoid dissatisfaction but true happiness requires moving from dependence on such material sources to the harmonization of the material and non-material (Ricard 2011). Happiness in this Buddhist sense is not the smile that accompanies a new purchase at the local shopping mall; it is the deep-seated contentment that accompanies realizing one's full human potential as an individual interconnected with society and the environment. It is towards this kind of happiness that Gross National Happiness is directed (Lokamitra 2004; Thinley 1999).

2 The Gross National Happiness Framework

The deep-seated, multidimensional, and interconnected nature of this understanding of happiness forms the basis for the Gross National Happiness development framework. The framework was initially broadly constructed as four integrated pillars intended to work together to promote the material and non-material aspects of happiness: equitable social and economic development, environmental conservation, cultural preservation and promotion, and good governance. Exactly when this GNH development framework emerged is somewhat murky. GNH was initiated by the fourth king sometime after assuming the throne in 1972. Jigmi Y. Thinley, a former Prime Minister of Bhutan, reported that he first heard the king reference GNH in the early to mid-1970s (in McDonald 2010: 1). Multiple official documents date the conception of GNH to 1972 specifically (GNH Commission 2013, p. 29; GNH Commission/UNDP 2011, p. 16). Other documents date its emergence to the late 1970s or 1980s (Centre for Bhutan Studies and GNH Research 2016, p. 32; RGoB 2005, p. 15; GNH Commission 2009, p. 17). The latter is perhaps a reflection of the appearance of GNH at that time in the international media. Munro (2016) documents what appears to be the first written appearance of GNH in two *New York Times* articles written in 1980. More well-known is a 1987 interview with the king where he discussed GNH in an article that appeared in the *Financial Times* (Elliott 1987). By the late 1990s, the GNH framework was much more explicit in the Bhutanese government's development dialog (Thinley 1999). At what point the framework emerged in this timeline is unclear. The official documents that cite its emergence in the 1970s or 1980s contrast with Munro (2016) who argues that GNH did not exist as a central organizing theme for Bhutanese development prior to 1996. One Bhutanese document (Centre for Bhutan Studies and GNH Research 2016, pp. 32–35) seems to bridge these two, arguing that GNH emerged in the late 1970s and was applied intuitively until it was institutionalized much later. These multiple claims make it difficult to date a specific starting point for the GNH framework. Yet what is clear is that by the mid-1990s, an explicit framework was in place. The four pillars of the framework constitute the material and non-material dimensions required for happiness that are meaningful in the Bhutanese context.

The four pillars were more recently expanded into a more detailed conceptualization of GNH involving nine domains. These nine domains

elaborate the four original pillars into more specific dimensions including health, education, living standard, ecological diversity and resilience, cultural diversity and resilience, good governance, community vitality, time use, and psychological well-being. The nine domains are the foundation for measuring GNH but the four pillars have been the broad development framework that operationally structures the implementation of GNH, including in the country's current five year plan for 2013–2018 (GNH Commission 2013). At the same time, GNH is portrayed as a strategy that is dynamic and open to evolution (GNH Commission 2009, p. 18; Planning Commission 1999b, p. 12). Indeed, the guidelines for the development of the 2018–2023 five year plan position the nine domains as the updated organizing framework (GNH Commission 2016).

While the four pillars exist alongside the expanded nine dimensions, understanding the nature of GNH best draws on the four pillars. The pillars have been assessed in the literature in greater detail as they have been around longer. Moreover, respondents in this study almost always identified with the four pillars rather than the nine domains. The nature of the pillars, and to a lesser extent the domains, and the values at their foundation are described in a range of official documents, speeches, and scholarly studies (see, for example, Givel 2015; GNH Commission/UNDP 2011, pp. 15–17; Priesner 2004; Rinzin 2006; Rinzin et al. 2007; RGoB 2005; Thinley 1999). The first pillar, sustainable and equitable social and economic development, is based on the assumption that economic growth is important but not an end in itself. Equitable economic growth that enables people to live in dignity while not being overcome by a spirit of overconsumption is critical for promoting happiness. Further, growth in the economy is an important vehicle to promote improved education, health, and other social conditions in a manner that is equitable in the present and across generations. The values of balance, dignity, egalitarianism, and sustainable consumption form the core of the pillar.

The second pillar, environmental conservation, recognizes that humans are intimately interconnected with the natural environment and all sentient beings. A healthy environment is inherently interlinked with human happiness. Pollution and overconsumption of natural resources must be avoided and conservation pursued. This does not mean environmental conservation should be pursued at all costs. As natural resources impact people's livelihoods, balance and harmonization are required

between environmental conservation and socio-economic development to ensure sustainable livelihoods. Interconnectedness, balance, harmony, compassion, sustainability, and the sanctity of all life are values at the foundation of the pillar.

Cultural preservation and promotion, the third pillar in the GNH framework, recognizes that culture is critical to happiness as it provides a basis for individual and collective identity and unity. It also strengthens community bonds across generations. Maintaining culture is particularly important in the onslaught of increasingly homogenous global culture and its consumption–based values that threaten to undermine indigenous values and practices. In the Bhutanese context, this means preserving and promoting cultural characteristics like close family ties, the balanced use of time, religious practices, voluntarism, meditation, and traditional knowledge. The values of balance, unity, and interconnectedness among people are the foundation of these Bhutanese cultural characteristics. At the same time, the cultural pillar is not constructed as purely traditional and static. Culture is dynamic. The pillar therefore requires a balance between fostering traditional cultural uniqueness on the one hand and cautiously drawing upon the benefits of other cultural influences and globalization on the other hand. The preservation and promotion of culture within the official GNH framework is intended to protect a national culture that is unifying yet dynamic and open to evolution.

As the final pillar of GNH, good governance provides a vehicle to pursue the other three pillars. For the pursuit of equitable socio-economic development, environmental conservation, and cultural preservation and promotion to be effective, decision-making needs to be responsive to people's needs, free of corruption, and engage all relevant stakeholders. Central to this is building trust in leaders and institutions. The values of fairness, justice, responsiveness, effectiveness, and accountability are the foundation of the pillar.

The Gross National Happiness framework is not merely these multiple dimensions that individually promote happiness. Central to understanding the role of the GNH pillars in guiding Bhutanese development is their integrated nature. They are meant to be interdependent, recognizing the complexity and interrelationships within and across social, economic, ecological, cultural, and governance systems. Bhutanese government documents and speeches describe the four pillars as "synergistic", having a "harmonious balance" and being "interwoven in reality"

(GNH Commission 2009, p. 17; RGoB 2005, p. 15; Thinley 2007, p. 7). The interdependence of the pillars requires attention be paid to their interactions or what has been termed the "meticulous orchestration" of the pillars (Rinzin 2006, p. 30). Such orchestration requires that the notion of balance across the dimensions be at the core of the Gross National Happiness approach. Indeed, Bhutan's GNH strategy is often referred to as "the middle path".

Rinzin (2006) clearly connects this notion of GNH as the middle path to Buddhist values and principles. The values underlying the individual pillars of GNH are defined as distinctly Buddhist values and these are often linked to Bhutanese culture (Givel 2015; Dessallien 2005, pp. 38–39; Priesner 2004; Rinzin et al. 2007; Ura and Kinga 2004, p. 42; Tashi 2004, Tideman 2011). Subsuming religion within culture is not without its conceptual challenges (Dugbazah 2009; pp. 12–17; Geertz 1993, Chap. 4). Nonetheless, GNH constructs Buddhism as the core of the cultural values of the country. They provide the foundation upon which GNH rests. The pillars of GNH act as a strategic framework rooted in Buddhist cultural values intended to foster the achievement of happiness as the end goal of development. What is often less clear is exactly *how* the pillars do so. Popular perceptions of GNH often assume a direct link between the implementation of the framework and the creation of happiness. The reality is more subtle. The Bhutanese state's official construction of the GNH framework emphasizes the role of the framework in promoting the material and non-material conditions necessary for pursuing foundational happiness; the framework itself does not directly lead to happiness (GNH Commission 2009, p. 17; GNH Commission/UNDP 2011, p. 16; RGoB 2005, p. 18). According to Karma Tshiteem, former Secretary of the Gross National Happiness Commission: "Happiness still remains an individual responsibility, but the State makes sure that the necessary conditions are there for people to pursue the path they choose" (in Braun 2009: 34). This is a critical distinction. GNH does not create happiness for individuals and society. Similar to the human development paradigm, the GNH framework creates enabling conditions that provide people with the ability to choose to live happy lives within their national context, where happiness is understood as fulfilling one's deepest human potential. Such human potential is self-regarding and other-regarding where both are interconnected with the environment. Accordingly, development policies and programs that

generate equitable socio-economic development, a healthy environment and vibrant culture, all supported by good governance, are intended to create the enabling conditions that allow Bhutanese individuals and society to pursue happiness and fulfil their full potential.

3 Gross National Happiness as the Image of the Bhutanese State

The Bhutanese state's official construction of GNH as a multidimensional and integrated national development strategy has leant itself to defining the Bhutanese state itself as a "GNH state", or, more often, as a state aspiring to become a GNH state. Gross National Happiness is often portrayed as a normative statist goal, a legitimization of state policy, or a self-representation of the state itself (Ura 2007, p. 41). Examples are numerous. The state's central role in promoting the enabling conditions for GNH is entrenched in article 9.2 of the constitution. Many central government ministries have GNH embedded within their mission statements. Recent public sector reforms were couched in terms of promoting GNH. Legislation on the role of local governments ties them explicitly to fostering GNH. The fifth king, upon his ascension to the throne in 2006, declared that pursuing GNH will be a defining component of his reign. GNH is deeply infused into the very character of the state.

Just as significantly, GNH is portrayed as being more than a national development strategy that is a fundamental component of the state. Gross National Happiness also strengthens the state. Its uniqueness as a multidimensional development strategy rooted to the Bhutanese context is the foundation for maintaining Bhutan's identity and, consequently, its sovereignty (Mancall 2004; Planning Commission 1999b, pp. 10–12). Bhutan's location in a region of geopolitical giants where sovereignty has been threatened or extinguished in places like Sikkim and Tibet makes it vulnerable as a tiny nation of less than a million people. Gross National Happiness provides a national project that carves out a clear national identity, a distinctly "Bhutanese" identity that provides a uniqueness for the country to protect itself from external claims. Gross National Happiness is therefore part of the state's character as well as its protector.

The state-in-society approach argues that the state is a dualistic entity made up of a coherent and unified image on the one hand and the

actual practices of its component parts on the other. The characterization of Bhutan as an aspiring GNH state illustrates that Gross National Happiness is a critical component of the image of the Bhutanese state. GNH is officially constructed as part of the foundation of the state that promotes the multidimensional conditions for its citizens' happiness and undergirds the sovereignty and unity of the state as a coherent entity. According to a former Bhutanese cabinet minister, "The good thing is that GNH is the image of our country. It is our North Star. We sail our ship in faith and hope" (Powdyel 2007, p. 75). But this image of the state can be precisely that, an image only. As the state-in-society approach argues, it is distinguished from the actual practices of the state's various parts as they engage with one another and with society. The Bhutanese state may be an avatar of the Bhutanese population, officially guiding the country towards the creation of the conditions for happiness, but this image can be acted upon in different ways by the actions of state and society actors. The multiple levels of government, emerging private sector, growing civil society sector, international donors, and a non-Buddhist minority of ethnic Nepalese who, in the 1990s, were at the centre of an ethnic conflict, all hold the potential to pursue a range of priorities in the process of implementing GNH. These priorities may subvert the image and outcomes of a coherent GNH state. The official construction of an image of a GNH state does not necessarily make it a GNH state in practice. The GNH governance framework seeks to address this challenge.

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CHAPTER 3

Governance and Gross National Happiness

Abstract The nature of governance in Bhutan is explored in this chapter as it relates to the process of Gross National Happiness (GNH) policy implementation. This chapter analyses the characteristics of the GNH governance framework intended to frame the implementation process including an expanded set of governance actors and GNH-specific structures and policy tools. This chapter examines the potentially competing interests that characterize the expanded set of governance actors and the intended role of the GNH structures and policy tools in harmonizing these interests. In doing so, it sets the stage for the subsequent chapters that analyse the role of the GNH governance framework in the actual implementation of four GNH policies.

Keywords Bhutan · Bureaucracy · Gross national happiness
Governance · Non-state actors · Policy tools

Bhutan's absolute monarch issued a Royal Decree in 2001 initiating a democratic transition process that neither Bhutanese elites nor citizenry had demanded (Turner et al. 2011). This rather peculiar situation was part of a longer-term process of dispersing monarchical power during the fourth king's rule. Local governments at the *dzongkhag*, or district level, and *gewog*, or village block level, were created in the 1980s and early 1990s. Executive power was devolved by the king to the Council of Ministers within the National Assembly in 1998. Civil service reforms

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intended to strengthen good governance were initiated in 1999 and accelerated by 2005. That same year a draft constitution emerged from a national consultation process designating Bhutan as a democratic constitutional monarchy. The king abdicated in a surprise move in 2006, and his son, Jigme Khesar Namgyel Wangchuck, ascended the throne as the fifth king of Bhutan and, ultimately, its first constitutional monarch with the promulgation of the constitution and Bhutan's democratic regime in 2008.

The operationalization of GNH as Bhutan's national development strategy reflects these changes in the nature of the Bhutanese state. The combination of decentralization, democratization, and public sector reform drove the evolution of what can be termed a GNH governance framework. Two characteristics define the GNH governance framework. First, an expanded set of state and non-state governance actors exist and are involved in the GNH policy process, including policy implementation. Second, and more recently, a set of GNH-specific structures and policy tools has been created for the entire policy cycle. They are intended to infuse GNH into all aspects of the policy process in a manner that shapes and harmonizes potentially conflicting priorities and practices among the expanded set of governance actors. They are intended to ensure all policy reflects the multidimensional nature of GNH and is not subverted by competing interests. This chapter analyses both of these characteristics of the GNH governance framework in the context of policy implementation. The first section explores the expanded set of state and non-state policy implementation actors and the potentially competing interests and different pressures they face that may threaten a consistent focus on GNH. It also addresses the potential implications of the legacy of the ethnic conflict from the 1990s on GNH policy implementation. The second section details the specific nature of the GNH structures and policy tools intended to shape competing interests and pressures in a manner consistent with GNH, with a specific focus on the policy implementation tools. In doing so, this chapter sets the stage for the analysis in subsequent chapters of the role of the GNH governance framework in the actual implementation of four GNH policies.

1 Expanded Governance Actors: State and Non-state

1.1 The Central Bureaucracy

In the early years of the fourth king's reign, the bureaucracy was highly centralized and powerful with interests paralleling those of the

monarch (Mathou 2000, p. 242; Rose 1977, p. 183). While the central bureaucracy is still powerful, democratization, decentralization, and public sector reform have gradually changed its functioning. Ten central ministries currently exist and are located in Thimphu, the capital city. Much of their power rests in the ability to allocate resources. Yet, they are subject to a number of potential clashes of interests. Central ministries must be responsive to the policy priorities of democratically elected officials. The multidimensional nature of GNH, however, means the interests of individual ministries may collide as they interact with one another in the implementation of these policy priorities. Internal differences across different departments within an individual ministry may further arise. The process of decentralization that began in the 1980s created sub-national governments with accompanying administrative bodies that may also have different interests that compete with the central bureaucracy at the local level. Public sector reforms further influence how the central bureaucracy functions. Public administration in Bhutan prior to 1972 was based on a patronage system rooted in loyalty to the king. The initiation of a more Weberian bureaucracy characterized by rational hierarchy, impartiality, and clear lines of command and control began in 1972 with the development of the first set of civil service rules. The creation of the Royal Civil Service Commission followed in 1982, and a cadre system was developed in 1990. Additional reforms emerged at the turn of the new millennium following the king's 1998 devolution of executive power and the subsequent process of democratization. These more recent reforms were framed around "good governance" as the organizing principle and are to directly contribute to Gross National Happiness (Royal Government of Bhutan [RGoB] 2005). The reforms included administrative restructuring, enhancing morale and integrity, and strengthening of the policy, planning, and budgeting processes. A position classification system (PCS) was established to better link the performance of individual civil servants to larger organizational goals. Two intended changes to the role of the public sector emerged from these reforms. First, they strove to make the civil service more compact with greater effectiveness and efficiency. The PCS in particular included a fundamental reorientation of the civil service by incorporating performance management, shifting the traditional public administration role of managing inputs, such as human and financial resources, to managing for outputs and outcomes, or the results of these inputs. Results-based management,

a performance management tool often referred to in Bhutan as results-based planning, was introduced as a framework to structure the achievement of GNH outcomes and significant effort went into training civil servants in its use. This performance management component of the reforms represented an infusion of new public management (NPM) characteristics into Bhutan's public sector. The hallmark of NPM is the injection of business management practices into the public sector to promote a more business-like approach characterized by greater efficiency and effectiveness (Osborne and Gaebler 1992). The performance management component of Bhutan's public sector reforms strove to make the historically powerful and hierarchical central bureaucracy more compact and performance-focused.

The second intended change emerging from public sector reforms was the recognition that the state should not be the sole driver of GNH. A more compact and performance-focused public sector should work with the private sector and civil society in both the determination and implementation of GNH policies (Planning Commission 1999b, p. 52–53; RGoB 2005, p. 3). A collaborative governance approach is necessary. Taken in total, public sector reforms, in concert with democratization and decentralization, have reshaped the role of the central bureaucracy as its historically centralized and hierarchical character is now meant to be more nimble, more focused on results, and more open to partnering with sub-national governments and non-state actors in the implementation of GNH policies. Its own interests, which may differ across ministries and departments, must now interface with this broader range of actors.

1.2 Autonomous Bodies

Bhutan has 17 governance agencies that are formally autonomous but have a functional relationship with the central government (RGoB 2005, p. 17). They are located primarily in the capital. The policies analysed in this study include a number of autonomous agencies, including the Tourism Council of Bhutan (TCB), Bhutan InfoComm and Media Authority (BICMA), and the National Environment Commission (NEC). Each of these is chaired by either the Prime Minister or a cabinet minister. The policy implementation interests of autonomous agencies therefore must bridge the potentially contradictory forces represented by their autonomy on the one hand and their functional links to the central government on the other.

1.3 Dzongkhag Administrations

The process of decentralization has made sub-national governments at the *dzongkhag* (district) and *gewog* (village block) levels key players in the implementation of GNH. Sub-national governments also exist at the *Thromde*, or municipal, level but they are not analysed in this book given the predominantly rural nature of Bhutan and the nature of the policies chosen in the study. Decentralization to Bhutan's twenty *dzongkhags* began in the early 1980s with the establishment of District Development Committees. The *Local Government Act 2009* more deeply embedded decentralization as part of Bhutan's democratic regime. The Act created the *Dzongkhag Tshogdu* (DT) as the *dzongkhag* level local government unit with increased administrative and regulatory powers. Each DT is made up of all elected *gewog* and municipal officials from within the *dzongkhag*. DTs have the power to foster socio-economic development, promote culture, make rules and regulations consistent with national laws, submit motions to parliament, endorse *dzongkhag* level five year plans, and monitor the implementation of plan activities. These district level government bodies are also to promote the conditions that enable the pursuit of GNH (RGoB 2009, p. 11). Each DT is supported by a *Dzongkhag* Administration (DA). The chief executive of the DA is known as the *Dzongdag*. A range of general administrative and financial civil servants are located within the DA as are "sector heads" in, for example, agriculture, forests, livestock, health, and education.

Dzongkhag Administrations have potentially the most latitude to pursue their own interests in the implementation of GNH policies given their distance from both central authority and the grass roots. This same position also provides various sources of pressure on DAs. The DA is responsible for carrying out all decisions made by the DT. It is also responsible for district level implementation of national policies and programs under the direction of the central bureaucracy. Further, DA officials are tasked with providing technical support to civil servants located below them at the *gewog* level. This location between central and *gewog* levels of government opens the possibility for multiple sources of competing pressures, from both above and below, on *dzongkhag* level practices in the implementation of GNH policy. Responding to competing pressures may distort the implementation of policy by DAs in ways that are inconsistent with GNH policy intentions.

1.4 Gewog Administrations

Local governments at the *gewog*, or village block level, are also involved in the implementation of GNH. Decentralization to the *gewog* level began in 1991 with the establishment of Block Development Committees. The 2009 local government legislation created a new *gewog* government unit known as the *Gewog Tshogde* (GT). Like the *dzongkhag* level government, the GTs are charged with fostering the conditions that enable the pursuit of GNH (RGoB 2009, p. 11). Each GT is comprised of locally elected officials including the *gup* as chairperson, the *mangmi* as the *gup*'s deputy, and five to eight *tshogpas* elected from the individual villages within the *gewog*. GTs have local regulatory and administrative powers including formulating and approving five year and annual plans for the *gewog*. Each GT is supported by a *Gewog* Administration (GA). The GA is supervised by the *gup* and headed by a *Gewog* Administrative Officer (GAO). The GAO is tasked with assisting the GT in planning and monitoring development plans at the *gewog* level. The GAO is also responsible for personnel administration of civil servants from all government agencies located within the jurisdiction of the *gewog* (RGoB 2009, p. 58). This includes the Renewable Natural Resource (RNR) extension workers—Agriculture Extension Officer, Forest Extension Officer, and Livestock Extension Officer—who are d*zongkhag* officials physically located in the *gewogs*. RNR extension workers in particular are subject to multiple sources of influence and pressure that may shape how they implement GNH-related policies. They must carry out activities defined at the *gewog* level as well as *dzongkhag* and central government priorities that are implemented locally, all while working directly with community people. *Gups* and GAOs similarly face potential pressure from voters on the manner in which local development plans are formulated and implemented. They concurrently face pressures from above in relation to the local implementation of initiatives that originate from the DA or the central government.

1.5 Civil Society

The processes of decentralization, democratization, and public sector reform have all driven a recognition that the state must partner with private sector and civil society actors in the pursuit of GNH. The state should not be the sole source of power. These non-state actors

are more recent additions to the GNH governance framework but hold the potential to bring very different priorities to the process of policy implementation. Bhutan is often perceived as lacking a civil society, but it has a long history of informal traditional associations at the local level (Ura 2004). The process of democratization brought with it an increased emphasis on formalizing a more vibrant civil society sector. The *Civil Society Organizations Act of Bhutan* was passed in 2007, and the Civil Society Organizations Authority was created in 2009. The primary role of the authority is to promote the growth of the CSO sector and act as a communication bridge between the sector and the government. Evidence of greater CSO engagement with policy implementation is emerging. Several CSOs have become members of autonomous agencies that bring components of the state and society together, such as the Tourism Council of Bhutan. Membership in such autonomous agencies positions CSOs to directly interact with the state in shaping how policy implementation unfolds. This opens up opportunities for these CSOs to either impose their priorities on the state or be co-opted by the state. Civil society organizations that are members of autonomous agencies are paralleled by other CSOs that remain completely independent and those with royal patrons. The policy priorities of these different kinds of CSOs may diverge significantly. Space for CSO influence on the GNH policy implementation process may be opening, but how CSOs interact with components of the state and with one another is potentially based on very different interests and pressures.

1.6 The Private Sector

Bhutan's history is that of an agricultural society with a largely insignificant private sector. The private sector was historically held back by small markets isolated by poor transportation links given the mountainous terrain. Entrepreneurs also had limited access to capital and faced a complex regulatory environment. By the turn of the millennium, the Bhutanese government recognized the need to better stimulate the private sector. Throughout the last couple of decades, there has been a significant focus on building the human resources capacity of the sector as well as streamlining the regulatory environment. Some success is emerging. The World Bank's *Ease of Doing Business Index* shows Bhutan's global ranking moving from 141 to 73 out of 190 countries between 2013 and 2016 (World Bank/IFC 2013; World Bank 2017). Medium-sized

businesses in Bhutan have also shown significant growth in both sales and employment (World Bank 2010). The emergence of this small but increasingly vibrant private sector raises its potential to impose its priorities as partners in the process of GNH policy implementation. It might be expected that private sector actors would attempt to impose priorities focused on greater economic growth, upsetting the integrated balance intended by GNH. The influence of the private sector, while still small in size, holds growing potential given the government's ongoing priority to foster its vibrancy as a governance partner.

1.7 International Donors

The potentially fragmented nature of Bhutanese state and non-state interests complicates the implementation of GNH policies. A source of outside interests also emerges. International donors have been recognized by the Bhutanese state as key development partners (Planning Commission 1999a, pp. 21–22). Yet, donors can bring their own national or organizational interests that may not converge with development priorities of a recipient country like Bhutan. In the light of this challenge, Bhutan has been selective in the donors with which it will partner. It has chosen to partner only with those that are perceived to have values and interests consistent with Bhutan's development priorities. It has rejected offers of assistance from those that do not. India has been the most important donor since the 1960s. Beginning in the 1970s, multilateral partnerships were also developed with the UN system, World Bank, European Union, and Asian Development Bank. Significant aid relationships have also been established with Japan, the Netherlands, Austria, Denmark, and Switzerland. Non-traditional donors like Kuwait, Thailand, and Singapore are also involved. Bhutan not only insists on choosing the donors with which it will work, it also emphasizes a national execution modality of aid delivery that promotes Bhutanese control over the use of donor funds. While these measures reduce the potential for donor partners to directly influence GNH policy implementation, convergence must still be found between the goals of GNH and the goals of donors.

1.8 The Ethnic Nepalese Minority

Civil society, the private sector, and international donors all bring potentially different interests when engaging with one another and

fragmented components of the state in the implementation of GNH policies. Complicating all of this is the legacy of an ethnic conflict from the 1990s. GNH is constructed on a foundation of Buddhist values. This Buddhist identity is tied to the majority *Drukpa* people. The term *Drukpa* usually refers collectively to the Buddhist *Ngalong* of western Bhutan and *Sharchop* of eastern Bhutan (Hutt 2003, p. 5). The *Lhotshampa* of southern Bhutan are ethnic Nepalese who are largely Hindu. The original Nepalese immigrants came to Bhutan and places like Darjeeling, India, and independent Sikkim in the mid-1800s. In Bhutan, citizenship was granted to Nepalese immigrants in 1958 and was accompanied by a set of policies that promoted integration into larger Bhutanese society. Regional events beginning in the mid-1970s, however, significantly influenced Bhutan leading to violence by the early 1990s. In 1975, the autonomous state of Sikkim voted in a referendum to merge with India. The ethnic Nepalese majority in Sikkim was perceived as playing a key role in driving the merger in opposition to Sikkim's Buddhist monarch (Hutt 2003, p. 196). Ethnic Nepalese also formed the Gorkhaland National Liberation Front in Darjeeling in the 1980s and violently pursued the creation of a separate state within India (Hutt 2003, p. 194). Both of these developments alarmed the Bhutanese government. The large-scale immigration of Nepalese to Bhutan, some of them illegally, was viewed as a potential threat to sovereignty. In response, the fourth king initiated a policy known as "one nation, one people" intended to consolidate a coherent national identity. The immediate impact, however, was inflamed tensions and perceptions of marginalization among the *Lhotshampa* as the policy promoted a national identity rooted in the culture of the *Drukpa*. By the early 1990s, *Lhotshampa* activism devolved into violence perpetrated by both the Bhutanese army and the *Lhotshampa* (Hutt 2003, pp. 205–220). Approximately 100,000 *Lhotshampa* fled Bhutan or were expelled, ending up in refugee camps in Nepal. The ongoing disagreement between Bhutan and Nepal over the citizenship of the refugees ultimately led to the resettlement of many in third countries.

The existence of this conflict raises significant questions about the nature of GNH and its implementation. Indeed, it suggests what some have called the "Janus-faced" nature of Bhutan (Pellegrini and Tasciotti 2014, p. 104). At the same time, the legacy of the conflict on ethnic Nepalese remaining in Bhutan today is unclear. On the one hand, they are represented in all sectors of Bhutanese life including the

civil service, private sector, CSOs, and parliament with equal access to services, education, and health care. On the other hand, the psychological toll on this population and its implications on their perception of the Bhutanese state and GNH, including ethnic Nepalese directly involved in GNH policy implementation or impacted by it, are difficult to discount. Potentially competing interests and values rooted in ethnicity or religion and coloured by the conflict may emerge in the implementation of GNH policy, particularly as political space is opening with decentralization and democratization.

1.9 A Fragmented Governance Landscape

Governance in Bhutan has undergone a significant evolution. Decentralization, democratization, and public sector reform have contributed to a dramatic move away from an absolute monarchy to a governance framework of multiple state and non-state actors. These multiple actors are the first component of the GNH governance framework. The potential for the conflicting policy implementation priorities and pressures detailed above to emerge from this cocktail of actors is a reality of the governance landscape. This situation has not gone unrecognized by the Bhutanese government. Beginning around 2008, a series of GNH policy structures and tools were designed to navigate the GNH policy process. These GNH tools attempt to shape the diverse interests of governance actors towards the successful achievement of GNH outcomes. The next section turns to an analysis of these structures and tools as the second component of the GNH governance framework.

2 GNH Structures and Policy Tools

The set of GNH-specific policy structures and tools attempts to infuse GNH into all stages of the policy process. The intention is to ensure that the GNH dimensions are integrated into the design, implementation, and evaluation of all policies and projects. Competing interests may emerge, but the role of the GNH policy tools is to funnel these interests so they collectively account for the dimensions of GNH at all stages of the policy cycle. This is particularly critical within Bhutan's emerging democracy. Democratization situates the operationalization of GNH within potentially fractious democratic politics. Respondents in this study involved in or familiar with the creation of the GNH tools argued that

they are necessary to firmly institutionalize and embed GNH within political and bureaucratic systems so GNH becomes an inherent part of Bhutan's democratic regime. Each structure and tool is described in turn below.

2.1 Gross National Happiness Commission

The Gross National Happiness Commission came into existence in 2008 as an autonomous body responsible for the operationalization of GNH. It replaced the former Planning Commission. The GNH Commission ensures that GNH is mainstreamed into all policy-making, planning, and implementation. Membership in the GNH Commission is made up of the Prime Minister as chair, the cabinet secretary as vice-chair, all secretaries to the ministries, the head of the National Environment Commission Secretariat, and the secretary of the GNH Commission. The Commission is supported by the GNH Commission Secretariat which sets national GNH priorities and goals, allocates resources, and coordinates GNH planning at the central, *dzongkhag*, and *gewog* levels. The GNH Commission also draws upon the expertise of the Centre for Bhutan Studies and GNH Research. The Centre is an autonomous research institute that played a key role in the construction of the GNH policy tools and carries out ongoing GNH research.

2.2 GNH Policy and Project Screening Tools

Two GNH screening tools exist. The GNH policy screening tool structures the process of policy formulation. The GNH project screening tool is intended to structure the development of projects that implement GNH policy, the focus of this study. Together, the tools ensure that GNH dimensions will be taken into account and balanced within a policy's formulation and implementation. Both tools are similar in structure. They require multiple and diverse governance actors to deliberate in the collective ranking of a draft policy or project against a set of screening questions based on GNH. The policy screening tool is comprised of over twenty screening questions, each connected to a specific dimension of GNH. The project screening tool involves GNH screening questions adapted for projects in 16 specific sectors, such as media, agriculture, forestry, education, youth, and trade (Centre for Bhutan Studies n.d.; Ura 2015, p. 12–13). For both tools, a draft policy or project is

ranked against each screening question using a four-point scale. The scale measures either negative (1), uncertain (2), neutral (3), or positive (4) impact of the policy or project on the GNH-related dimension represented in the screening question. Table 1 provides an example of a single screening question for the cultural dimension of GNH. For a policy or project to pass the screening exercise in either tool, it must score an average of 3 out of 4 on each screening question. Failure to pass requires the policy or project to be either dropped or revised. Each screening process requires a range of relevant stakeholders to work together and agree on assigning points to each screening question. The group of stakeholders also provide a rationale for the points they assign for each screening question. Both tools therefore require a collaborative process where potentially competing interests engage with one another to reach agreement on how to rank a policy or project in a manner that channels their interests towards the achievement of GNH.

2.3 GNH Committees

GNH committees are policy implementation structures meant to exist within each ministry and agency in the central government as well as within sub-national governments. The committees are to act as links to the GNH Commission and to oversee, monitor, and ensure that GNH dimensions are explicitly mainstreamed into the ongoing implementation of policies at all levels of government. The role, and even existence, of this structure was the least clear among respondents in this study and, indeed, more recently seems to have disappeared as a GNH structure. But its intention, in concert with the other GNH tools, is to be a forum at all levels of government where monitoring, discussion, learning, and adaptation occur as GNH policy is implemented.

2.4 Local GNH Planning Tool

An initial planning tool called the GNH Check was developed to assist local governments in the annual process of planning and implementing development initiatives (Tshering and Chuki 2009). In 2014, the GNH Check was incorporated into a set of three new community planning and implementation tools (Tshering and Chuki 2014). The tools enable communities to assess their local development priorities against GNH criteria. By doing so, GNH is mainstreamed into grass roots planning

Table 1 Example of a screening question related to the cultural dimension of GNH

Culture				
	Should decrease the opportunity for people to learn about or participate in cultural practices and traditions	Do not know the effect on opportunity to learn about or participate in cultural practices and traditions	Should have little or no effect on opportunity to learn about or participate in cultural practices and traditions	Should increase opportunity to learn about or participate in cultural practices and traditions
Score	1	2	3	4

Source Centre for Bhutan Studies and GNH Research. http://www.grossnationalhappiness.com/docs/GNH/PDFs/PoliSTools.pdf

from the start, ensuring the implementation of local development activities remains consistent with the multidimensional and integrated nature of GNH.

2.5 Gross National Happiness Index

The GNH policy screening tool is applied to the policy formulation process, while the GNH project screening tool, GNH committees, and local GNH planning tools are applied to policy implementation and project planning. The Gross National Happiness Index is a tool to measure policy outcomes. It is intended to not only provide a quantitative yardstick of the achievement of GNH but also continuously inform policy formulation and implementation through its link to the policy and project screening tools (Ura et al. 2012, p. 110). The index is comprised of the nine domains of GNH that broaden the four pillars, including health, education, living standard, ecological diversity and resilience, cultural diversity and resilience, good governance, community vitality, time use, and psychological well-being. Measuring the nine domains makes use of 33 indicators further disaggregated into over 120 variables. The nine domains are weighted equally, and their results are clustered into a single aggregate measure of national GNH that is decomposable to enable comparisons across geographic districts, time, demographic categories, and each of the nine domains. Beginning in 2010, nationally representative GNH surveys using the GNH Index are to occur every five years to measure the national achievement of GNH outcomes. It is important to note that given the nature of GNH, the GNH Index does not measure subjective happiness (Centre for Bhutan Studies and GNH Research 2016, p. 253). While the psychological well-being domain includes some aspects of subjective well-being (Ura et al. 2012, p. 10), the GNH Index measures the social, economic, cultural, ecological, and governance conditions that enable Bhutanese to live happy lives. Indeed, to demonstrate the difference, the most recent GNH survey included questions on subjective happiness in addition to the questions derived from the GNH Index and found significant differences between the two (Centre for Bhutan Studies and GNH Research 2016). The GNH Index therefore provides a measurement of the conditions for GNH happiness that can be used by governance actors to make decisions on policy formulation and implementation.

2.6 Five Year Plans

Bhutan's five year plans (FYPs), which have been used since planned development began the early 1960s, have been explicitly designed as GNH tools since 2008. Five year plans are developed for each sector at the central ministry level as well as within all twenty *dzongkhags* and 205 *gewogs*. Private sector and civil society actors have been involved in the definition and conceptualization of overall FYP themes, priorities, and strategies (GNH Commission 2009, p. 53; 2016, p. 1). All planning targets in the 10th and 11th FYPs, which span 2008–2018, are explicitly tied to the realization of the four pillars of GNH. Drawing on the NPM-driven performance management focus of public sector reforms, results-based management (RBM) has been the overall management approach for the FYPs since 2008. *Dzongkhags* and *gewogs* have autonomy over the design of the priorities and strategies of their individual FYPs, but these are to be coordinated with national sectoral priorities and RBM targets. The GNH Commission coordinates the overall FYP, including the integration of all of the plans at the central, *dzongkhag*, and *gewog* levels. The result is a set of integrated plans from the central to local levels, all directed through RBM towards achieving intended GNH results.

Taken in total, the various GNH structures and tools represent a unique set of policy instruments that put the multiple dimensions of GNH at the heart of the governance and policy process in Bhutan. They require potentially competing governance actors, at least in theory, to incorporate the multiple dimensions of GNH, thereby harmonizing competing interests into a consistent GNH focus. The next four chapters explore how this plays out in the actual implementation of four GNH policies.

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CHAPTER 4

The Last Shangri-La?

Abstract This chapter analyses the role of the Gross National Happiness (GNH) governance framework in shaping power dynamics in the implementation of Bhutan's tourism policy. It argues that the political dynamics of the policy implementation process are a mix of conflict, cooperation, and isolation among state, private sector, civil society, and donor actors. No single actor dominates the process. Moreover, these actors rarely use the GNH-specific policy tools and do not share a common understanding of GNH itself. A common commitment to the Buddhist-inspired cultural values that underlie GNH nonetheless shapes the actions of governance actors in a manner consistent with GNH. The result is policy outcomes that generally reflect original GNH policy intentions.

Keywords Bhutan · Cultural values · Governance · Gross national happiness · Policy implementation · Power · Tourism policy

Happiness is a place. The Tourism Council of Bhutan's current use of this marketing slogan clearly stakes out the influence of Gross National Happiness on the tourism industry. Bhutan's national development strategy is the calling card for international tourists to visit the country. An inherent tension is clear in this strategy: GNH is meant to draw tourists to increase economic growth while simultaneously avoiding the pitfalls international tourism might bring to a country committed to

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maintaining its cultural and ecological integrity. Bhutan's tourism policy strives to address this issue head-on. It seeks to create a tourism experience that is structured in a manner where economic growth and the preservation of traditional culture and the environment are mutually reinforcing. Implementing the policy, however, has been subject to its inherent tensions. An expanding field of governance actors engages in shifting interactions of conflict, cooperation, and isolation as they seek to balance the economic, cultural, and environmental dimensions of GNH. In doing so, no single actor, state or non-state, dominates the process of policy implementation. The GNH policy tools also play no meaningful role in shaping these interactions. Nonetheless, the policy outcomes that emerge from the process generally reflect original GNH policy intentions. Common cultural values emerge to shape fragmented applications of power so they remain consistent with GNH. This chapter investigates the character of this process through an analysis of tourism policy intentions, the power dynamics surrounding the implementation of these intentions, and the policy outcomes that result.

1 Policy Intentions

The inception of a Bhutanese tourism industry began in 1974 when 274 official international tourists visited the country (Department of Tourism [DoT] 2005, p. 15). The industry emerged from these humble beginnings to become one of the most important components of the country's GNH-driven development. The overall GNH intention of tourism policy has followed a consistent trajectory. It prioritizes the use of tourism to maximize economic opportunity through increased employment and foreign currency exchange while minimizing any potential negative impacts on the country's environment and traditional culture. This intention of bridging the socio-economic, cultural, and environmental dimensions of GNH is remarkably consistent over time in multiple policy documents (DoT 2001, 2005; GNH Commission 2009, 2013; National Environment Commission [NEC] 1998). A daily tariff system is the key tool to balance the GNH dimensions. International tourists must take an all-inclusive package tour for which they pay an expensive daily tariff in foreign currency. The tariff serves multiple interrelated purposes. First, it limits the number of tourists who can afford to visit the country thereby mitigating negative impacts on Bhutan's culture and environment. Second, the high cost of the tariff drives economic growth despite

the small number of tourists. Third, a government royalty built into the tariff helps fund education and health care in the country. Overall, the intended result is economic development with limited cultural and environmental degradation.

At the same time, the cultural and environmental dimensions of the policy are not confined to the mitigation of negative influences. A second characteristic of tourism policy in addition to the tariff is the provision of tourism packages specifically focused on cultural tourism and ecotourism. Bhutan's unique traditional culture and pristine environment need to be protected from the potential excesses of tourism-related economic growth but they are also the source of economic growth as they enable Bhutan to be marketed as an exotic Shangri-La destination (DoT 2005, pp. 71–72; GNH Commission 2009, pp. 106–107). This has the potential to act as a virtuous GNH circle. Protecting culture and the environment from unchecked economic growth will make them attractive tourism products, in turn fuelling sustainable economic growth and further consolidating Bhutan's cultural and ecological identity. Protection and promotion go hand in hand. The potential virtuous GNH circle, however, contains the seeds of a contradiction. The need to protect Bhutan's culture and environment from excessive economic growth demonstrates a tension across the economic, cultural, and environmental dimensions of GNH. Conversely, actively conserving a traditional culture and pristine environment as a means to attract high paying tourists demonstrates that the GNH dimensions can also be mutually reinforcing. This contradiction—GNH dimensions that are both in tension and mutually reinforcing—has played out in the process of policy implementation.

2 Policy Implementation

Central to the state-in-society approach is the notion of multiple sites of influence as multiple actors from the state and society engage in different contexts and attempt to impose their priorities on political life (Migdal 2001). The state is neither a singular and autonomous actor nor a hostage to societal interests. Components of the state and society engage, ally, and conflict with one another as they strive to influence the policy process. In the case of implementing tourism policy, inconsistent and unpredictable applications of power have arisen which, in some cases, have transformed policy priorities. The same types of governance actors

wield different degrees of influence in different contexts. As the geographic context changes or the nature of the constellation, or grouping, of governance actors changes, the power of individual governance actor also changes. These fractured power dynamics can be seen through the evolution of tourism policy and tourism governance.

2.1 "High Value, Low Volume": Safeguarding Culture and the Environment

The early years of tourism policy were the domain of the absolutist monarchical regime. Tourism policy was initially termed "high value, low volume" to demonstrate the priority of generating economic growth and employment while minimizing the tourist footprint. The daily tariff was set at US$130 per day per person with a lower tariff for trekking. Strict regulations were placed around tourism activities, and most of the country remained closed to tourists. The Department of Tourism (DoT) was responsible for organizing and delivering all aspects of the tourist experience: marketing, itineraries, transportation, guiding, food, and accommodations (DoT 2005, p. 15). This tightly-controlled implementation process ensured that economic growth did not overrun cultural and environmental concerns. Indeed, the monarchical regime demonstrated a willingness to subordinate economic interests to cultural and environmental concerns when necessary (Wangchuck 2008). The conservative nature of this approach was demonstrated in the late 1980s when concern grew about tourist numbers that had reached approximately 3000 per year (NEC 1998, p. 51). Concerns led to in an increase in the daily tariff to US$200 per day in order to slow the growth in tourist numbers yet maintain their economic impact. Placing this decision in a regional context demonstrates the degree of Bhutan's caution: Nepal received approximately 250,000 annual tourists in the same time period (Government of Nepal 2008, p. 8).

The fourth king devolved executive power to his cabinet in 1998. This was accompanied by a significant change in the tourism industry and tourism governance. Full privatization of the delivery of tourism packages occurred in 1999, broadening a limited privatization initiative from 1991. A set of government regulations and a code of conduct were developed to ensure private tourism companies undertook their work in a manner consistent with Gross National Happiness (in Association of Bhutanese Tour Operators n.d.). The entry of the private sector led to

the creation of civil society organizations (CSOs) to represent private sector interests. The Association of Bhutanese Tour Operators (ABTO) was formed in 2000. ABTO's mission is to represent and promote the interests of private tour operators in a way that is consistent with GNH (ABTO 2009, p. 1). Its formation foreshadowed the emergence of a growing policy conflict over the nature of tourism governance and the appropriate operational balance of the socio-economic, cultural, and environmental dimensions of GNH.

2.2 *"High Value, Low Impact": Accelerating Economic Growth*

Privatization of the delivery of tourist services was accompanied by a significant increase in the number of international tourist arrivals and an accompanying evolution in thinking among Bhutanese policymakers. In 1989, the tariff had been increased given the concern over potentially unsustainable tourist numbers. By the turn of the century, however, tourism was viewed differently. Bhutan was experiencing significant urbanization combined with a gradual shift away from an agricultural economy. Expansion of the tourism industry was seen as a vehicle to address these changes. This sentiment is clear in *Bhutan 2020*, the country's development vision written in 1999. It called for a dramatic increase in tourism revenues by the end of 2017 in order to increase employment opportunities (Planning Commission 1999b, p. 27). To drive increased tourism revenues, the earlier approach of "high value, low volume" was replaced by "high value, low impact". This represented a subtle but significant shift. New emphasis was placed on increasing the volume of tourist arrivals to promote greater economic growth while still limiting tourists' impact on cultural and environmental considerations. "High value, low impact" represented a tweaking of the original policy by rebalancing the GNH dimensions to put greater emphasis on economic growth given urbanization and economic changes in the country. The *Sustainable Tourism Development Strategy* of 2005 (DoT 2005) outlined what this should look like. It reaffirmed a commitment to integrating the socio-economic, cultural, and environmental pillars of GNH. At the same time, it placed greater emphasis on increasing tourist numbers by using the country's culture and environment to promote Bhutan as an exotic niche destination attractive to wealthy tourists. It called for high-end cultural tourism experiences to be developed for tourists willing to spend more money beyond the daily tariff. It also called for previously

restricted regions of Bhutan to be opened up for ecotourism activities. Both of these were intended to attract greater numbers of tourists. Their success, however, required continued protection of the uniqueness of Bhutan's culture and environment. The potential for a virtuous GNH circle, where GNH dimensions are mutually reinforcing, was therefore firmly at the centre of "high value, low impact". Maintaining such a virtuous circle requires a delicate balancing act that brings in more tourists but avoids too many to prevent the erosion of the country's cultural and environmental uniqueness.

The "high value, low impact" strategy was accompanied by a further evolution in tourism governance. New CSOs emerged in addition to ABTO. The Handicrafts Association formed in 2005, the Hotels Association (later the Hotel and Restaurant Association) in 2008, and the Guide Association of Bhutan in 2009. Most significantly, the Department of Tourism was replaced in 2008 with an autonomous agency called the Tourism Council of Bhutan (TCB). The creation of TCB demonstrated a meaningful attempt to institutionalize broadened tourism governance in Bhutan's new era of democracy and public sector reform. The Council recognizes that the multi-sectoral nature of tourism requires horizontal coordination across multiple state and non-state actors and decentralized engagement with sub-national governments at the *dzongkhag*, or district, level. One senior TCB official described it as "a governance experiment" and "a bold step". The Council is made up of representatives of multiple central government ministries, autonomous agencies, the private sector, and CSOs. It is chaired by the Prime Minister and mandated to formulate and implement tourism policy, develop regulations, diversify tourism products, and lead tourism human resources development. A secretariat supports TCB, and its staff members were delinked from the civil service in 2012.

The nature of tourism governance under TCB represents a dramatic break from the historic dominance of the central bureaucracy under the monarch. The incorporation of an expanded set of state and non-state tourism governance actors democratizes, at least in theory, the process of implementing the"high value, low impact" policy shift. It also opens up this democratic space to potentially competing priorities among these same governance actors that may undermine intended GNH tourism outcomes, a situation for which the GNH policy tools were developed. The interactions across sub-national governments and TCB as well as

between the private sector, CSOs, and TCB subsequently demonstrated the complexity of these dynamics.

2.3 Inconsistent Power: Sub-national Governments

Increasing the engagement of *dzongkhag* governments and their *Dzongkhag* Administrations (DAs) in the implementation of tourism policy was one characteristic of the move to the "high value, low impact" strategy. The experiences of the four *dzongkhags* in this study are dramatically different. Two of the four are sites of significant tourism activity. One of these DAs played a significant role in developing new tourism products to be delivered in its area. "TCB helps us and provides funding", stated the *Dzongdag*, or chief executive of the DA, "but we are in control of what tourism will look like". In this case, TCB supported the DA through marketing and funding for tourism-related training of locals. The DA took the lead on designing and implementing multiple tourism activities as well as developing homestays for tourists. The latter occurred as the *dzongkhag* government itself decided that it did not want tourist hotels in the district. In sharp contrast was the role of the other *dzongkhag* with significant tourism activity. DA officials had no involvement at all. They suggested that the power to implement tourism activities rests with TCB and private sector tour operators, not them. This DA's priorities, accordingly, were directed at other sectors. TCB and the private tour operators dominated all aspects of the implementation of tourism policy in the *dzongkhag* as a result.

Inconsistent applications of power also existed at the *gewog* level. The decentralization of tourism policy is not intended to significantly go beyond the *dzongkhag* level. In most cases, this was clear at the *gewog* level as officials played a very limited role or none at all. Not all of them were happy with this situation. One *gewog* official, describing a local tourism festival that occurs in his *gewog*, stated flatly "we make the seating arrangements; no planning". But this is not always the case. A small number of *gewog* officials admitted that they freelance outside of official channels to develop and implement their own tourism activities. According to one elected *gewog* official, there are "too many formalities working with [TCB] so I am exploring these things on my own". Local officials like this one were implementing unofficial tourism activities with TCB entirely unaware of them. The cases of freelancing *gewogs* were limited in numbers but are significant. Such unconstrained freelancing

opens up opportunities for unchecked activities that do not reflect the GNH balance at the core of Bhutan's tourism policy. They raise the possibility of implementation practices that undermine the notion of a coherent GNH state as some local governments apply power that is not formally granted to them.

The issue of freelancing *gewogs* takes on more significance given a further issue. Many sub-national government officials at both the *gewog* and *dzongkhag* levels had different understandings, and often misunderstandings, of the nature of GNH itself. Some offered that they had no understanding of GNH at all despite being charged with implementing it as the national development framework of the country. "I know I should know what GNH is, but I don't", said one *gewog* official. "I think it has something to do with four pillars". A high-level *dzongkhag* official, speaking generally about GNH beyond just tourism, similarly stated "Even I am confused about GNH". This latter official suggested the GNH Index, with its nine domains, 33 indicators, and over 120 variables, was the cause of his confusion. The official felt the expansion of the traditional four pillars into multiple domains, indicators, and variables had muddied a clear understanding of the larger GNH strategy. This lack of understanding GNH was common. It is particularly problematic in the context of power being applied inconsistently and sometimes unofficially by geographically dispersed sub-national governments.

The GNH policy tools should help in this situation. Tools and structures like the GNH project screening tool and GNH committees would help direct all governance actors regardless of their understanding of GNH to implement their tourism initiatives in a manner that incorporates its multiple dimensions. As a by-product, they would also increase their understanding of GNH. The GNH policy implementation tools, however, were largely absent. Many government officials were entirely unaware of their existence or were unconvinced of their usefulness. One of the freelancing *gewog* officials stated "A GNH committee does not exist in the *gewog*. I tell [*gewog* officials] we just need to work as one, with equality we serve the benefit of the people". A high-ranking *dzongkhag* official simply claimed "I don't know what work that committee would do". Such sentiments were again common.

Overall, the different applications of power across sub-national governments, combined with misunderstandings of GNH and the lack of use of its policy tools, would seem to hold significant potential to undermine the implementation of tourism policy that is consistent with GNH.

No single kind of governance actor holds consistent influence across *dzongkhags* and *gewogs* in different geographic areas in the study, opening up a potential sub-national policy implementation free-for-all. Yet something fills this potential void. Multiple officials consistently pointed out that their decisions and actions in implementing tourism policy are naturally structured by a set of cultural values they all share. They identified, unprompted, values such as interdependence, harmony, and sustainability, the same values that are the foundation of GNH. The values were described as balancing respondents' economic, cultural, and environmental concerns when implementing tourism policy. This sentiment was outlined by both those officials who understood GNH and those who did not. One official with a clear understanding of GNH stated, in response to a question about the GNH project screening tool, that it is not needed as GNH "… is just done because Bhutanese have a set of values focused on that". Another official, referring to the lack of use of GNH committees generally, stated "I don't think we need any GNH committee as it is a philosophy which everybody is aware of and where everybody is involved in this".

Similarly, officials who did not understand GNH also spoke of how they implement tourism policy based on the same cultural values that, unknown to them, are the foundation of GNH. Without understanding GNH, their priorities are structured in a way that is consistent with it. For example, a *gewog* official who was freelancing outside of official channels described his cultural values as driving his actions in a way that balances economic, cultural, and environmental concerns. In describing the specific nature of his tourism activities, he stated "our culture is also very traditional. We want to attract tourists in a way that does not affect tradition and architecture and environment in the valley". Unclear on the nature of GNH and acting outside of official channels, this official described his tourism priorities in a way that was entirely consistent with the GNH policy intention. His cultural values, which he described as being rooted in Buddhism, were the vehicle for his actions. The actual nature of unofficial tourism activities in freelancing *gewogs*, focused on such things as organic farm visits and traditional archery, reflected these values in practice. An intriguing situation therefore exists. Sub-national government actors engaged in implementing tourism policy do not use the GNH policy tools to structure their actions nor do they all understand GNH. At the same time, a common commitment among these officials to a common set of cultural values—the same Buddhist-inspired

values that underlie GNH—structures their interests and actions in a way that is consistent with the GNH intentions of tourism policy. Turning to the actions of other kinds of tourism governance actors reveals a much more confrontational situation in the search for the proper balance of the dimensions of GNH.

2.4 Conflicting Power: Non-state and State Actors

Democratization and public sector reform in Bhutan have driven a move to more collaborative governance involving non-state actors. TCB represents a means for such collaborative governance. Challenges soon emerged, however, to this cooperative governance framework. The period during the implementation of Bhutan's 10th five year plan (FYP) in particular witnessed conflict tied to all four GNH pillars. The FYP was accompanied by the government's creation of the *Accelerating Bhutan's Socio-Economic Development* (ABSD) initiative. ABSD was created to accelerate the most important aspects of the 10th FYP, including tourism's "high value, low impact" strategy. McKinsey and Company, an international consulting firm, was recruited to provide advice and implement ABSD. As McKinsey moved forwards with TCB and other stakeholders, one of its proposed strategies generated controversy among private sector and CSO governance actors. McKinsey proposed a complete liberalization of the tourism industry to more firmly emphasize the economic dimension of GNH as contained in the "high value, low impact" strategy. McKinsey's liberalization proposal targeted a move to 250,000 yearly international tourists, a nearly ten-fold increase in tourist numbers at that time, by the end of the 10th FYP. Most controversially, the target was to be achieved by removing the tariff and required package tours, the two hallmarks of Bhutan's tourist industry. TCB Secretariat respondents framed the strategy as rebalancing economic, environmental, and cultural concerns to address economic change, increased urbanization, and growing youth unemployment. Changing conditions required changing the balance across the GNH pillars. The values of interdependence and harmony that underlie GNH, according to these officials, remained at the heart of this rebalancing. Tourism policy had previously prioritized cultural and environmental concerns when they came into conflict with economic ones. Rebalancing this relationship was necessary in the light of the need to drive greater economic growth in a changing socio-economic environment. In this context,

McKinsey's liberalization proposal, including the removal of the tariff, was approved by the Prime Minister and cabinet.

A number of private sector and CSO members of TCB complained that they were not meaningfully consulted in the development of McKinsey's liberalization strategy. This concern over process was accompanied by disagreement with the strategy itself. Some tour operators framed their opposition in terms of economic self-interest. Liberalization would cut into their profits now guaranteed by the daily tariff. Others, however, put forward arguments rooted in competing perceptions of how the GNH pillars should be balanced in practice. McKinsey's proposal was opposed by the majority of private sector respondents as it was perceived as emphasizing economic growth at the expense of cultural and environmental concerns. They blamed TCB for this situation despite, in some cases, being part of TCB member organizations themselves. "TCB is too focused on numbers" and "TCB always has an agenda that is just based on profit" were common sentiments among many tour operators. They outlined their concern that liberalization would erode the country's traditional culture and its pristine environment. At first glance, these arguments sound counter-intuitive coming from the private sector. Many of these business people, however, advanced a nuanced argument completely consistent with the goal of the "high value, low impact" tourism strategy. Liberalization, they claimed, was a threat to the interconnected nature of economic, cultural, and ecological systems. Removing the tariff and targeting a dramatic increase in tourists would inevitably erode traditional culture and the environment which, unwanted on its own, would also reduce the exotic nature of Bhutan as an attractive tourist destination. The future economic potential of tourism would be threatened as a result. The virtuous GNH circle envisioned in the "high value, low impact" strategy would be lost. "Profit is not everything", stated one tour operator, "our philosophy and belief is, if we are profitable as a society, as a community, as a tour company, we need to take care of [cultural and ecological] things. If not we'll kill the golden goose".

Similar to many respondents from sub-national governments, private sector, and CSO respondents frequently made this case by appealing to what they identified as Buddhist-inspired cultural values of interdependence and harmony. Their value system demanded a better balance across economic, cultural, and environmental systems. McKinsey's liberalization proposal, supported by the Prime Minister and cabinet, was seen as a

threat to that balance. In some cases, non-state actors outlined this need for better balance in GNH terms. One tour operator accused the government of abandoning GNH in practice by backing McKinsey's liberalization plan. The private sector, in his view, was left to protect GNH. "Even though GNH is supported by government", he stated, "who is doing it? So we have to try". Others who opposed the McKinsey plan did so without reference to GNH or claimed to not understand it. A CSO official, for example, outlined in depth how the government and McKinsey needed to better integrate cultural and environmental considerations with its economic focus. He further stated "GNH is too complicated for us… It is a good philosophical guide but I don't really understand it". The official was making a GNH argument without realizing it.

The debate over liberalization demonstrated that the proper balancing of GNH dimensions in the implementation of tourism policy is contested. McKinsey and some government members of TCB viewed the greater emphasis on economic growth through liberalization as a rebalancing of GNH pillars required by an evolution in Bhutan's economic situation. Many non-state actors, some representing TCB member organizations, viewed this same strategy not as a rebalancing but an unbalancing of GNH pillars. Significantly, both sides drew on the same cultural values to justify their positions. Ultimately this led to open conflict. Perhaps most dramatic was a meeting of tourism stakeholders to discuss McKinsey's proposal. The Prime Minister, as the chair of TCB, set out the new policy direction based on McKinsey's cabinet approved strategy. While the Hotels Association and Handicrafts Association remained neutral, other associations and private sector stakeholders opposed the Prime Minister. Some tour operators admitted their opposition was rooted in a fear of losing guaranteed profit with the removal of the tariff. Others based their opposition on the negative impact on Bhutan's culture, ecology, and tourism image. Faced with a group of allied stakeholders opposing the new policy direction, the Prime Minister made a dramatic reversal by the end of the meeting. McKinsey's proposal, despite cabinet approval, was dropped. The 250,000 targeted tourist arrivals were reduced to 100,000. The tariff was not only maintained but increased to US$250 per day during high tourism season.

The reversal of McKinsey's liberalization proposal represented a significant triumph for many within the private sector and civil society. A policy shift rooted in GNH was reversed based on oppositional arguments that also often appealed to GNH in a more integrated way,

whether its proponents realized this or not. Non-state actors had successfully imprinted their priorities over the initial wishes of the government. The significance of this was not lost on ABTO officials. One stated “we had a better case than McKinsey” while another said “we made the government think about why we want to stop [liberalization]”. The reality was actually somewhat more complicated. The central government itself was not united in its support of McKinsey. Several respondents from the Department of Forests and Park Services (DoFPS) supported these non-state actors in their opposition to McKinsey. This represented a delicate balancing act as these DoFPS officials disagreed with the strategy yet, as government officials themselves, felt it inappropriate to publicly oppose the government. According to one DoFPS respondent: “Personally, from our side, because I know many tour operators, we exchanged a lot of dialog and said that ‘you guys go against the government.’ For us, we work in government and it is very difficult for us”. The DoFPS respondents emphasized that their support rested on their concerns over the policy shift’s perceived implications for environmental degradation. A fracturing within the government was therefore evident. An official government position rooted in GNH was opposed by a set of some non-state actors often promoting an alternative GNH argument with moral support from some dissenting government officials.

Liberalization has not, however, disappeared as an option. Tourism challenges continue to emerge and have recently led elected officials to wade into the issue again. An increasing problem is the undercutting by some tour operators of the cost of the tariff by charging tourists less in order to gain a competitive advantage. Regional distribution of tourism benefits also continues to be poor as is the concentration of tourism business within a few tour operators. In response, the National Council, the upper house in Bhutan’s parliament made up of 20 elected members and five appointed by the king, formally recommended in late 2016 that the removal of the $250 per day tariff occur with the exception of the $65 government royalty component (National Council of Bhutan 2016). Conflicting priorities again emerged in the run-up to the announcement, this time involving fragmentation within the private sector around, again, differences over the appropriate balance of economic, cultural, and ecological concerns (Tshering 2015; Dema 2015).

Overall, the ongoing conflict about liberalization has not been over the broad intention of tourism policy or GNH itself. The conflict represents a dynamic process of finding the appropriate balance of GNH

dimensions as economic conditions change. The GNH-specific policy tools could again play a role in this situation. They were, however, again largely absent from the debate. Like many *dzongkhag* and *gewog* officials, respondents from the TCB Secretariat demonstrated little enthusiasm for them. Curiously, officials from one CSO outlined their keen interest in the GNH tools and their disappointment that they were not used. Similarly, a respondent from the private sector detailed a past initiative where his company had applied the GNH Index internally to promote employee happiness. He claimed that TCB showed no interest in the initiative. This reflects a more fundamental issue. The conflict over the operational balance of the economic, cultural, and environmental dimensions of GNH is accompanied by deeper divisions over the good governance dimension. Many private sector actors and CSO officials viewed the functioning of TCB as poor governance. They perceived TCB as distant and dominated by its government members who engaged in centralization at their expense. "They often turn a deaf ear towards us", stated one. Another suggested, "they do listen, but whether they take us seriously is debatable". A CSO official particularly critical of TCB framed his organization as "a competitor with government". Remarkably, this official represented a CSO that is a member organization of TCB. These non-state respondents demanded a more meaningful governance role beyond perceived tokenism. An official with TCB was sensitive to this perception of centralization. He suggested Bhutan's history of a strong central bureaucracy means the TCB experiment may take some time to work out the appropriate role of central government members as they engage with non-state actors. The reality, though, is again more complicated as the implementation of ecotourism strategies demonstrates a different application of power.

2.5 Parallel Power: Ecotourism

The governance actors involved in ecotourism are more expansive than other tourism activities. Both TCB and private tour operators are again key players but the Ministry of Agriculture and Forests (MoAF) takes a lead role given that ecotourism often occurs in protected areas that are under its jurisdiction. TCB and MoAF signed an MOU in 2010 to partner on the development and promotion of ecotourism initiatives in protected areas. The Nature Recreation and Ecotourism Division (NRED), which had recently been created within DoFPS as part of MoAF, was

designated as the lead government agency. Personnel within the parks system, who are also DoFPS officials, also play a planning and implementation role in ecotourism within the parks. International donors such as World Wildlife Fund (WWF) are partners on a range of donor-funded ecotourism and wildlife conservation initiatives. Since 2010, a number of protected areas previously off limits to tourists have been opened. NRED and Parks officials have worked with communities in these areas to develop campsites, rest sights, farmstays, and homestays. Eco-trails have been built, and traditional trails restored. TCB has supported the training of local community members to run and maintain these facilities. Private tour operators organize the tours that will take part in ecotourism activities. While these roles are clear, the actual nature of the implementation of ecotourism initiatives demonstrates a rather curious situation. The conflict that emerged in the liberalization debate has not been characteristic of ecotourism despite its expanded set of actors. What has characterized ecotourism is the apparent emergence of an often separate constellation of tourism governance actors that works in parallel isolation from those implementing cultural tourism activities. A particularly interesting example is Wangchuck Centennial National Park (WCNP), one of the country's largest protected areas. Bhutan emphasizes a national execution modality of aid delivery where government agencies control the management of aid initiatives while remaining accountable to donors. WCNP funding departs from this model as it involves co-management by WWF. Co-management allows WWF to play a hands-on role as a donor in both the larger management of the park and the implementation of specific ecotourism activities within the park. Officials from WWF, NRED, and WCNP described a largely cooperative spirit among them driven by a common set of priorities derived from the content of Bhutan's GNH-based five year plans. The co-management approach and subsequent cooperation on ecotourism was described by WWF respondents, who are themselves Bhutanese, as an effective way to promote consistency across donor and government that avoids perceived weaknesses of donor-funded initiatives implemented solely by government agencies. They argued that sole government control of donor-funded projects lacks efficiency and commitment. Co-management of the park and its ecotourism activities represents a different aid modality, according to these officials, that promotes effective collaboration between donor and government leading to better outcomes.

The largely cooperative implementation of ecotourism activities among these actors contrasts with distinctly less engagement by other stakeholders. In all geographic areas in this study, a very limited role in planning and implementing ecotourism initiatives was played by private tour operators or CSOs. This is despite them being the front-line organizations dealing with tourists. Their limited role has implications for ecotourism initiatives. Officials from several parks stated they are often unaware when tour groups are coming. Tour operators, on the other hand, were often unaware of the ecotourism opportunities offered by the parks. Even more curious was the position of TCB. Despite ecotourism representing a key component of the overall tourism policy, TCB demonstrated a clear ambivalence about it. Officials from NRED, the parks, and WWF complained that TCB has little interest in engaging more deeply with them on ecotourism. One park official did not even know who to contact at TCB to discuss ecotourism activities. Other park and NRED officials suggested TCB was more interested in pursuing the greater economic benefits associated with higher paying cultural tourists. The complaints were stark: “they go where big money is”; “they want the buck even if it’s not good for the environment”; and “I’m not sure if TCB is even interested in ecotourism”. Differences over the proper balance of the economic and environmental dimensions once again emerge.

The lack of more meaningful engagement of TCB with ecotourism was not entirely disputed by a senior official within the TCB secretariat. The reason for this lack of engagement, however, went beyond a preference for higher paying cultural tourists. The official questioned the sustainability of the execution model for ecotourism initiatives that are often donor-funded, time-bound, and stand-alone. Such donor-based projects, according to the official, are more difficult to integrate within national policy. He also made a values argument. He suggested that donors often act solely in their own interests and bring unwanted external values to their initiatives. “Donor funds are useless” he claimed, with “the Landcruisers and per diems” that accompany donor projects promoting values of consumption and materialism that are antithetical to GNH. While this was the view of one senior individual within TCB, it was reflected in the evident unenthusiastic engagement by TCB with other central government and donor stakeholders involved in ecotourism. Parallel applications of power therefore emerge in this situation. On the one hand, WWF has successfully been able to define an active role for itself as an international donor in the implementation of ecotourism

initiatives. It has been able to define a new site of influence for itself through co-management. On the other hand, this new site of influence is not fully embraced by TCB, the lead actor on tourism. The result is two separate constellations of actors seemingly working in isolation from one another. NRED, Parks officials, and donors like WWF represent one constellation implementing ecotourism initiatives while TCB, the private sector, CSOs, and sub-national governments, often disengaged from ecotourism, both cooperate and compete while focused on cultural tourism. Parallel and often uncoordinated applications of power by different constellations of actors characterize the process.

3 Policy Outcomes

What are the policy outcomes of this rather complex governance reality? A fairly clear picture emerges: policy outcomes generally reflect the GNH intentions of tourism policy. The common commitment to the cultural values that underlie GNH shapes policy implementation practices to promote GNH outcomes in spite of the sometimes rocky process. Tourism has been successful in generating economic development without significant erosion of traditional culture or Bhutan's environment. First, economic development has been driven by a largely consistent yearly increase in international tourist numbers. The 7158 international tourist arrivals in 1999 grew to 57,537 by 2015 (Royal Monetary Authority [RMA] 2016, p. 164). While these numbers are still small in a regional context, the high cost of the tariff has translated into significant economic impact. Tourism consistently contributes the largest amount of foreign currency to Bhutan (RMA 2014, p. 174). Its contribution to government revenue has, with few exceptions, consistently been a yearly double digit percentage increase (RMA 2012, 2016). Tourism-related employment has surpassed goals, rising from 17,000 jobs in 2010 to 28,982 in 2012 (RMA 2012, p. 173; TCB 2012, p. 12). There still remain some significant challenges. Many jobs are seasonal. A handful of tour operators continue to dominate the industry and undercutting the tariff continues to be an issue. Work therefore remains to better distribute the economic outcomes of tourism. The economic outcomes overall, however, have been considerable as intended by the policy.

The economic gains have been accompanied by notable success in protecting and consolidating Bhutan's traditional culture. Promoting Bhutan's culture as a tourist attraction has resulted in cases of lost

or latent cultural practices being reclaimed or new traditions created (Brunet et al. 2001, p. 260; Reinfeld 2003; Rinzin et al. 2007, p. 121). Multiple respondents from government and the private sector pointed to revitalized festivals in areas previously closed to tourists as playing a key role uncovering latent cultural practices. Site visits to two new tourism festivals confirmed the re-emergence of cultural practices as tourism products. Respondents also suggested that TCB's branding of Bhutan as a Shangri-La destination of happiness has attracted high paying tourists who are interested in the maintenance of traditional culture. Disruption of culture is less likely from these kinds of tourists. Indeed, many of the mass tourism-related cultural and social problems in other countries in the region, such as theft, begging, and sex tourism, have not historically been evident in Bhutan (Brunet et al. 2001, p. 259). At the same time, growing pressures were reported by respondents, particularly in terms of the commodification of cultural practices and the growing number of camera-toting tourists at annual religious festivals known as *tshechus*. Such pressure is likely to continue as the number of tourists increases. The ongoing question of how to properly balance the GNH dimensions that has characterized the policy implementation process will likely continue in the face of such cultural pressures. Given the overall intent of the policy, however, Bhutan has so far experienced considerable success in protecting its cultural practices and uncovering latent ones.

Similar to the cultural outputs of tourism policy, the impact of tourism on Bhutan's environment has largely been consistent with the policy intention. Trekking represents the main environmental threat. Respondents, including guides, outlined that Bhutan's strict regulations around trekking and the small proportion of its tourists who visit the country to trek have helped avoid large-scale environmental problems. Significant deforestation from tourism activities has been avoided although there is some evidence of the destruction of vegetation and erosion of trails (Rinzin et al. 2007, p. 120). Garbage on trails has historically not been a problem or is unrelated to tourism (Gurung and Seeland 2008, p. 499; Rinzin et al. 2007, p. 120) although many respondents from tour companies suggested it is a growing issue. It is not unlikely that growing numbers of trekkers in the future may exacerbate this situation, further fuelling the debate over how to balance GNH dimensions in tourism, but significant environmental disruption from tourism excesses is not evident.

Bhutan's overall experience implementing a GNH-based tourism policy suggests the common cultural values that governance actors embrace often play a central role in structuring actions in a manner largely consistent with GNH intentions. This is despite the fractured applications of power in the implementation process, the invisibility of GNH policy tools, and the lack of clarity of GNH itself among many governance actors. Ongoing differences over the proper balance of GNH dimensions will likely continue as tourist numbers increase but a commitment to the overall GNH intentions of tourism policy is not threatened. But a significant wild card exists. The classification of "international tourists" to which the tourism tariff applies does not include regional tourists from India, Bangladesh, and Maldives. Tourists from these countries, with the vast majority coming from India, are exempt from the daily tariff and required package tour. The 57,537 international tourists that visited in 2015 were part of a total number of international and regional tourists numbering 155,121 (RMA 2016, p. 164). What can be made of this? It appears to be, on the face of it, inconsistent with the GNH intentions of Bhutan's tourism policy. Large numbers of regional tourists travelling independently may drive greater economic growth but undermine the ecological and cultural traditions Bhutan's tourism policy is committed to protecting. The issue is a complicated one, particularly as India is Bhutan's primary ally and trade partner. The answer likely lies in the larger nature of GNH and its connection to sovereignty and security. Gross National Happiness was constructed as a national development strategy that is a critical component of the image of the Bhutanese state. The uniqueness of the state's GNH identity differentiates the country and, in doing so, protects it from claims against its sovereignty in a region where sovereignty has been extinguished elsewhere. The uniqueness of the Bhutanese state's GNH image still requires the country to navigate the geopolitics of the region. The GNH values of balance and compromise require economic, ecological, cultural, and governance concerns not be separated from issues of state sovereignty in a region of geopolitical giants. Indeed, quite the opposite is the case. They are fundamental to it (Planning Commission 1999a, pp. 24–25). Compromise for constructive relationships with neighbours is a necessary component to balance geopolitical realities for the maintenance of a GNH state. The existence of these geopolitical realities does not, however, lessen the challenge that regional tourists represent. The sheer numbers of tourists, both international and regional, may strain the country's ability to continue to

successfully balance socio-economic, cultural, and environmental concerns. Bhutan's operationalization of its tourism policy, largely successful in achieving its policy intentions, has entered more challenging territory.

4 Conclusion

The dynamics of power surrounding the implementation of tourism policy demonstrate a fractured governance process. The early dominance of the monarchical regime has been replaced. Democratization, decentralization, and civil service reform have created multiple tourism governance actors that are part of the TCB experiment. Fractured applications of power are evident and are not predictable as no single actor consistently dominated the implementation process. Cooperation, conflict, and isolation occurred as individual kinds of governance actors wield varying degrees of influence in different geographic contexts or different constellations of actors. Some sub-national governments exercised significant power while others in different geographic areas did not. The constellation of TBC and private sector and CSO partners experienced challenges working together while the private sector and CSOs experienced success, with moral support from some government officials, when allying against TCB and the Prime Minister. At the same time, the private sector, CSOs, and TCB were largely at the margins in ecotourism initiatives while a separate constellation of central government actors took the lead. In this context, international actors had varied success in influencing the implementation process. McKinsey successfully partnered with government on some issues but ultimately lost out on its major proposal to remove the tourist tariff. WWF successfully carved out a direct role in implementing ecotourism initiatives in cooperation with some components of the central government while TCB viewed this collaboration unenthusiastically. Overall, a complex mix of power characterized the process of implementing tourism policy.

The fractured process of implementation was not shaped in any meaningful manner by the GNH-specific policy implementation tools. The role of the five year plans, while not GNH-specific until the 10th FYP, did have a degree of influence but the other GNH-specific tools that might shape policy implementation were largely unused. Perhaps more surprisingly, many governance actors misunderstood GNH itself despite being tasked with its implementation. Overall, this suggests a situation ripe for undermining GNH. The evident outcomes of tourism policy,

however, show otherwise. Tourism has successfully driven economic growth while largely protecting and consolidating Bhutan's culture and environment. Key to this situation is a common commitment among governance actors to a consistent set of cultural values linked to GNH, whether tourism stakeholders explicitly made this connection or not. These values constrained and shaped the interactions among tourism stakeholders. Conflict was limited to how GNH dimensions are balanced in practice to most effectively give expression to the GNH policy intention.

Two issues muddy this situation. First, external forces may intrude in the future in ways that may be inconsistent with GNH. The increasing influx of regional tourists excluded from the tariff and package tours may dramatically strain the carrying capacity of the country with implications for the erosion of cultural and environmental concerns. Yet Bhutan's experience with McKinsey illustrates that actions by foreign actors that appear to stray too far from the required balance of GNH are checked by those who feel the values of integration, balance and harmony—GNH values—are being violated. Indeed, multiple respondents described an uneasiness with the sheer numbers of regional tourists and the need to effectively address the issue. The existence of commonly held cultural values linked to GNH suggests that emerging external influences do not automatically represent a threat to GNH.

The second issue may be more problematic. The process of implementing tourism policy revealed differences over the nature of the good governance dimension of GNH. Differences over the socio-economic, cultural, and environmental dimensions were about balance. Differences over the good governance pillar were about its very nature. TCB was created to be a governance vehicle to bring together state and non-state actors to address the multi-sectoral nature of tourism. There is undoubtedly some significant success in this governance experiment. TCB has engaged central ministries, *dzongkhags*, CSOs, and the private sector in ways that look radically different from the old monarchical regime. At the same time, TCB has also been perceived as defaulting to a top-down approach dominated by its government members, particularly in cases like McKinsey's proposed tariff liberalization, or has not fully engaged horizontally with other government and donor partners, as in the case of ecotourism. This is perhaps not unexpected in a country with a long history of a centralized bureaucracy. Some of the emerging results, however, are messy. Private sector actors and CSOs, some of which are

members of TCB, have demanded they be taken more seriously. A small number of *gewogs* have begun freelancing outside of official bureaucratic structures they view as cumbersome. Meaningful engagement between TCB and the constellation of NRED, Parks officials, and WWF was elusive. Different views exist over how to engage with international donors. The result: the nature of good governance in tourism policy is contested. Addressing this issue will be critical for the future as increasing international and regional tourist numbers place growing pressure on Bhutan's culture and environment.

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CHAPTER 5

Wrestling and Cigarettes

Abstract Bhutan's media policy attempts to foster a free and responsible media that acts as a government watchdog and cultivates Bhutanese culture that is appropriate for a Gross National Happiness (GNH) society. This chapter explores the implementation of media policy, demonstrating that there is significant conflict among governance actors as they attempt to imprint their interests onto the process. The central ministry tends to dominate this situation although this is not always the case. The GNH policy implementation tools play no meaningful role in shaping the interests of governance actors and these actors maintain competing understandings of GNH. Nonetheless, policy outcomes generally reflect original GNH intentions as common cultural values constrain conflict to operational issues.

Keywords Bhutan · Cultural values · Governance · Gross national happiness · Media policy · Policy implementation · Power

Bhutan, at one point, had 12 national newspapers serving a population of less than one million people. Its movie industry pumps out Bhutanese produced, directed, and acted films driven largely by market demand. Radio stations directly engage listeners through call-in shows and frequently play *rigsar*, a local form of popular music. This apparently lively media industry exists in a country where 20 years earlier only two media outlets existed and were controlled entirely by the government. Bhutan's

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media policy, largely driven by democratization, is at the root of this change. Its focus is to create a free and responsible media that enhances good governance and cultivates the cultural life of Bhutan. Like tourism policy, implementation of the policy has been a fragmented process often characterized by conflict and competing interpretations of the appropriate expression of GNH dimensions. Differences over the way the media should report on controversial cigarette legislation or the appropriateness of broadcasting wrestling on television have characterized the process. Unlike tourism policy, a single governance actor has often, but not always, been most able to assert its interests. The result is outcomes that generally reflect intended GNH policy intentions but with significant weaknesses that weigh down the media industry and drive differences over the nature of GNH.

1 Policy Intentions

The seeds of the Bhutanese media industry were planted in 1965 with the creation of an official government gazette known as *Kuensel*. This was followed in 1973 by the establishment of an amateur radio station that would ultimately become a public radio broadcaster in 1979 known as the Bhutan Broadcasting Service (BBS). International donors played a role in funding the development of the required infrastructure for both *Kuensel* and BBS. Neither, however, were intended to act as media outlets in the conventional sense. They were government mouthpieces for the dissemination of information on development activities. In 1986, *Kuense*l officially transformed into a government-owned national newspaper. Both BBS Radio and *Kuensel* remained extensions of the civil service until 1992 when they were delinked from the government to become autonomous corporations. The government's subsidy to *Kuensel* ended in 1999, although BBS continued to receive government funding for capital costs and most operating costs. Both BBS and *Kuensel* remained subject to significant government censorship.

Broadening this media landscape began in 1999. Television, previously banned due to a fear of negative cultural influences, was introduced at that year. Foreign cable channels with international programming were allowed while BBS Television was established to provide local content. This broadening of the media laid the foundation for a concerted effort to construct a coherent GNH media policy as Bhutan moved towards democracy. In 2003, the Department of Information

and Media (DoIM) was created within the Ministry of Information and Communication (MoIC). This was followed in 2006 by the passing of the *Bhutan Information, Communications and Media Act 2006* (BICM Act). Taking its direction from the then draft version of the constitution that guarantees media freedom, the Act committed Bhutan to privatize the media, maintain free and fair competition, and improve media reach to rural areas. The BICM Act also outlined the role and autonomy of the regulatory body, the Bhutan InfoComm and Media Authority (BICMA).

A policy of open licensing is the cornerstone for pursuing a free and competitive media industry with greater rural reach. Open licensing allows the entrance of private "media houses", as they are referred to in Bhutan, to compete with one another and with *Kuensel* and BBS. No longer controlled by government, prospective media houses are free to enter the market as long as they meet the licensing requirements related to local ownership and media concentration. Two policy themes related to GNH emerge from this. First, using open licensing to create a privatized and competitive media is meant to foster a role for the media in promoting the good governance dimension of GNH within Bhutan's emerging democracy (Department of Information and Media [DoIM] 2010, p. xi; GNH Commission 2009a, p. 149; 2013, p. 197). The media is to act as a watchdog to promote government accountability and transparency, to inform a democratic citizenry, and to provide a voice to the voiceless. Second, liberalizing the media as a vehicle for good governance also opens Bhutan up to increased international media content, and entertainment programming in particular that introduces external cultural influences. This is not viewed as inherently negative. Indeed, the official construction of the cultural dimension of GNH understands Bhutanese culture as dynamic and evolving. At the same time, there is a recognition that outside cultural influences may introduce cultural values and practices that erode Bhutan's cultural uniqueness, both in terms of outward expressions like dress and language and internal values. The open licensing strategy therefore engages two key GNH dimensions but does so in a way where they may potentially conflict. To address this potential conflict, media policy prioritizes fostering not only a free, privatized, and competitive media, but also a *responsible* media as well (BICMA 2010a, p. 5; GNH Commission 2009a, p. 150). A free media is to pursue its role in good governance and as a cultural convenor in a manner that is appropriate for a GNH society. As such, the implementation of open licensing policy is paralleled by content regulations to

promote a responsible media. These regulations, focused on such things as the portrayal of violence, gambling, sexual behaviour, and addictive substances, regulate content in both news reporting and cultural programming (BICMA 2007, 2010a). DoIM is also committed to professionalizing the media and fostering the development of local cultural content to assist emerging media players to balance global media content. Balancing good governance and local culture through the creation of a free and responsible media was explicitly portrayed by a number of government respondents as a "GNH media". What this means in practice, however, is much less clear. Ultimately, the lack of clarity has shaped many of the interactions and struggles among governance actors in the implementation of the policy.

2 Policy Implementation

Media policy in Bhutan has been subject to shifting interactions and emergent priorities as new media players engage. Following the passage of the BICM Act in 2006 and the promotion of open licensing, *Kuensel*, BBS, and the cable television providers were joined by multiple new private newspapers and radio stations. Within seven years, there were 12 newspapers covering national affairs and seven radio stations. Other new media organizations also emerged. The Bhutan Centre for Media and Democracy (BCMD) formed as a civil society organization in 2008 to provide education and training for media stakeholders to support their role in Bhutanese democratization. The Bhutan Media Foundation, which began operating in 2011 with royal support, also focuses on professionalizing the media. All of these new media actors are not meant to solely engage in competition with one another but are intended to be collaborators and partners with government in the execution of media policy (GNH Commission 2009b, p. 219). Engaging these partners in the policy implementation process has often been characterized by conflict as state and non-state actors pursue their policy priorities. As the state-in-society lens suggests, the process has been dynamic, forging emergent and unexpected challenges that drive new priorities. Evidence of this dynamic process can be seen in three challenges that have emerged in the policy implementation process. These challenges relate to media sustainability, professionalism, and divergent positions on appropriate cultural content.

2.1 Media Sustainability

The policy of open licensing achieved significant success in creating a broadened and privatized media landscape. The previous existence of two government linked media houses has been replaced by significant competition including an expanded number of private entities. Expansion of the media occurred in the larger context of Bhutan's nascent private sector. *Kuensel*, which is still majority owned by the government, and the private media houses are all dependent on advertising for their survival. Bhutan's small private sector, however, offers few sources of private advertising revenue. As a result, the Finance ministry instructed all government ministries in 2007 to share their advertising, which far outstrips private advertising, across all media houses. Sharing government advertising would help foster a free and competitive media by supporting individual media houses and avoiding the development of media monopolies. The unintended result, however, was paradoxical. The guaranteed source of advertising revenue made an entrance into the media industry attractive, rapidly expanding the number of media houses. This expansion, in turn, threatened the financial sustainability of these same media houses given finite government advertising to be shared.

The financial sustainability problem brought on by the need to foster a free media became a direct threat to the media's governance role. Competing GNH arguments were made in response to this situation. Respondents from DoIM were adamant that the constitutional guarantee of a free media does not allow limits to be placed on the number of media licenses as long as applicants meet the licensing requirements. The media's role in good governance is driven by free competition that sharpens the media's ability to hold the government accountable. In contrast, respondents from some media houses maintained that the decreasing proportion of government revenue available to individual media houses undermines their ability to undertake investigative journalism that holds the government to account. They further argued that reduced advertising revenue has driven the use of journalistic shortcuts that reduces professionalism and limits their ability to place journalists throughout the country to give voice to rural issues. Staking out opposing positions on the sustainability issue, both rooted in good governance, led to an emergent set of conflicting interests. Several private newspapers prioritized decreasing competition as a means to create a

smaller, more sustainable newspaper industry that can exist on the available government advertising revenue. Respondents framed this priority in good governance terms suggesting a smaller, better-funded media industry can play a more effective governance role pursuing the values of accountability, transparency, and citizen engagement. DoIM, in contrast, maintained its original priority. It argued that the sustainability challenge created by open licensing will foster a more professional GNH media by weeding out weak media houses leaving those that are most effective in pursuing government accountability and citizen engagement. Opposing positions to open licensing and its implications for a sustainable industry were rooted to the same set of good governance values.

While the values may be the same, the opposing priorities for achieving them led to conflict. Different newspapers pursued their emergent priority through two strategies. First, a number of respondents from private newspapers described their attempts to convince DoIM to place a moratorium on licensing new newspapers. These attempts were tepid and unsuccessful due to an inability of private media houses to act collectively. Mistrust and suspicion exist among the newspapers as a spin-off of the open licensing policy. The initial rapid growth of newspapers led to regular movement of editors and journalists across newspapers as they are lured by better pay packages. Most newspapers view one another with some suspicion as a result. One newspaper editor put it bluntly: "But you know how things are in the media sector, one journalist or paper can never get along with other papers or journalists". In the face of the private media's inability to collaborate, the government was not confronted by any effective pressure for a moratorium on licenses.

A second strategy pursued by a number of private newspapers was to attempt to generate greater revenue through media concentration, either by acquiring other newspapers or by converging their existing content across multiple media platforms. The 2006 BICM Act, however, placed limits on cross-media ownership in order to avoid media monopolies that infringe on GNH by limiting competition and diverse media voices. Nonetheless, the implementation of the provision faced confusion around the language in the Act, particularly around the difference between cross-media ownership and single media concentration. Respondents from the media houses, DoIM, and BICMA all recognized this confusion but pointed the finger at one another as its source. An official from BICMA, the autonomous regulator, suggested DoIM was inconsistent in applying the Act while media houses were too lazy to

read it. Officials from DoIM suggested the media houses were interested in pursuing monopolies and were purposefully confusing the issue. The media houses argued the definition of cross-media ownership changes from the minister to the secretary to the director to the regulator. Further confusing the situation was the case of BBS, an autonomous corporation, which has a cross-media format given its radio and television stations. According to one exasperated newspaper editor: “I don’t get it, the law is a double standard”.

Again, however, the private media houses were not successful in imposing their priorities as DoIM moved to address the sustainability issue on its terms. The *Bhutan Information, Communications and Media Amendment Bill* was developed in 2012 to address a number of shortcomings in the BICM Act of 2006. As part of this, the amendment clarified the nature of cross-media ownership and single media concentration while not bending to the desire of private sector newspapers to allow greater media concentration. A new *Bhutan Information, Communications and Media Bill 2016*, which seeks to repeal the 2006 BICM Act, further confirmed strict limits to cross-media ownership.

In addition to addressing media concentration, DoIM also moved to resolve the challenges around how government advertising is distributed to the media houses. Again, it sought to do so on its own terms but its actions spurred the formation of an emergent constellation of informally allied media stakeholders that pushed back. Beginning in 2009, DoIM first considered the implementation of a circulation audit for the newspaper industry as part of a broader process of creating a new government advertising policy. The audit would establish circulation numbers to be used for distributing government advertisements instead of sharing them across all newspapers. Higher circulation would merit greater government advertising. The assumption, according to DoIM officials, was rooted in the GNH intention of media policy. Newspapers with a more professional approach to their watchdog role and with greater rural outreach will have higher circulation and therefore deserve greater advertising revenue. A more sustainable and effective media industry will emerge as less effective newspapers fold due to lack of revenue.

The first circulation audit was initiated in 2010. Reaction was swift from the six newspapers that existed at the time. Four of the six refused to take part. While the government’s reason for the audit was rooted in a good governance justification, so too was the justification of the four newspapers for refusing to participate. They argued that the audit

would be a death knell for a diverse media that contributes to Bhutanese democracy. At the time, private newspapers had been in existence for four years. In contrast, *Kuensel*, a majority-owned government newspaper, had 40 years of experience including donor support in developing its infrastructure. An unequal playing field existed. *Kuensel* would have by far the largest circulation given its established history, resulting in government advertisements flowing to it, choking revenue to emerging newspapers. The result: media pluralism that provides multiple voices, an initial GNH policy intention, would be lost. Different media stakeholders were again taking opposing positions with both justified in terms of promoting good governance.

The proposed audit helped forge an alliance among some of the private media houses despite their distrust of one another. The four newspapers opposed to the audit gained the support of the Prime Minister who sided with them against DoIM. He, too, justified his position in GNH terms of maintaining a free and competitive media. He stated, "In no way the auditing is going to alter the commitment of the government to ensure the growth of vibrant media" (cited in Dema 2010). The Prime Minister further stated that a new advertising policy would not be implemented under his government. Faced with this situation, DoIM's circulation audit went ahead as merely a voluntary process involving only two newspapers, including *Kuensel*. Further audits occurred in 2011 and 2012 with several media houses again not taking part. DoIM's emergent priority of resolving the unexpected sustainability issue through an audit was downgraded to a voluntary initiative in the face of opposition from a group of private media houses with support from the Prime Minister.

DoIM's failure to implement a mandatory circulation audit did not entirely undermine its ability to pursue its goal. A set of voluntary Government Advertising Guidelines connected to the audit was developed in 2012 (DoIM 2012). While voluntary and despite the refusal of the Prime Minister to pursue a policy change on advertising, the guidelines soon took effect as several ministries began using them. According to the Secretary of the Ministry of Information and Communication, "even if the cabinet doesn't pass it formally, we will start moving in because the advertisers are beginning to do it" (cited in Dorji 2012). Yet the voluntary audit also sowed confusion, revealing fractures within the Bhutanese state and its autonomous agencies over how to engage in media advertising for the benefit of a GNH media. The Election Commission of Bhutan (ECB), for example, an autonomous body that

receives government funding, announced that it would restrict its advertising to three media houses based on the results of the 2012 voluntary audit. In response, the Prime Minister's office released a press release outlining that the government had no role in ECB's decision and reiterated that government advertising revenue should continue to be shared across media houses as the current government would not enforce DoIM's advertising guidelines (Bhutan Broadcasting Service 2012). The Minister of MoIC claimed that ECB was trying to embarrass the government with its move (Arora 2012). In response, the ECB backed down. Ultimately, the media industry continued to struggle on with circulation audits from 2013 through late 2015 in the context of uncoordinated sharing of government advertisements and no clarity on a final advertising policy, although advertising guidelines were again issued by DoIM in 2016 (DoIM 2016). The findings of the 2015 circulation audit illustrated the depths to which the problem had sunk as it found many newspapers were either manipulating or negligent in tracking their circulation numbers (Dupchu 2016).

Overall, the attempts to address media sustainability demonstrated a willingness of media actors to aggressively promote competing priorities, including competing priorities within the state itself. What is notable about this situation is that competing actions and priorities were justified in GNH terms and often rooted in common values. How the media is to best pursue its good governance role under the cloud of stressed financial sustainability, however, remains unanswered.

2.2 Professionalism Challenges

The policy priority of fostering a free and responsible media requires an appropriate framework to regulate news content in a way that is consistent with a free media in a GNH society. The Bhutan InfoComm and Media Authority is mandated to implement media regulations. BICMA was separated from MoIC as part of the 2006 BICM Act although its employees remained civil servants. BICMA developed a range of rules and regulations for the media. The *Code of Ethics for Journalists* is particularly significant for its implications for news reporting. The code outlines the requirement for journalists to avoid content that is obscene or glamorizes violence, gambling, alcohol, tobacco, or drugs (BICMA 2007). These provisions intend to ensure that the media not only

pursues its good governance role but also does so responsibly in a GNH society.

Applying these regulatory principles in practice generated confusion leading to concerns about professionalism. Opposing positions were again tied to GNH and undergirded by common values. Media house respondents pointed to multiple conflicts with BICMA over different interpretations of the role of specific content in contributing to good governance. Receiving widespread attention was a conflict related to newspaper reporting on a controversial anti-tobacco law with harsh prison penalties for relatively small amounts of tobacco possession. In some cases, publication of stories critical of the implementation of the law was met with warnings from BICMA for their inclusion of photographs of cigarettes. BICMA warnings, according to the newspapers, identified photographs of cigarettes as contrary to GNH values as outlined in the *Code of Ethics*. Individual newspapers pushed back. They argued BICMA's response was a complete misinterpretation of what "glamorizing" tobacco means. Newspaper respondents located their opposition to BICMA's warnings in terms of good governance. They argued that publishing stories about the anti-tobacco law with accompanying photographs of cigarettes are a central part of their role in holding government accountable. According to one astonished newspaper editor: "[BICMA] totally miss the point…. If we apply their formula we cannot run any news".

Conflicts over the nature of reporting on issues such as the tobacco law led to an emergent priority among multiple governance players. While newspaper respondents reported that there are cases where they and BICMA were able to resolve disputes, there were other cases where they suggested BICMA would not listen to alternative interpretations of the regulations. Frustration among private media houses led to calls for addressing what was perceived as a lack of professionalism within BICMA. The complaint revolved around BICMA employees remaining civil servants. Newspaper respondents viewed them as cautious, rigid bureaucrats without required media backgrounds to enforce media regulations properly. BICMA respondents did not necessarily disagree. On the one hand, they argued that violations of the GNH-related regulations in news reporting were often due to the media's ignorance of the regulations. On the other hand, they conceded that there was a professionalism issue within the authority linked to BICMA's continuing ties to the civil service. This impaired media knowledge and

promoted caution in interpreting regulations. BICMA officials went even further. They argued that their continuing ties to the civil service made them a junior partner that sometimes experienced "bullying" by the ministry. The result was BICMA and its critics in the private media developing a common interest in de-linking the authority from the civil service to better promote professionalism. Competing positions on regulating newspapers, both rooted in good governance arguments, led to a common interest. Ultimately, MoIC took the initiative on its terms. While the 2012 *Bhutan Information, Communications and Media Amendment Bill* initially sought to delink the head of BICMA and its employees from the civil service (MoIC 2012, pp. 9–10), the 2016 *Bhutan Information, Communications and Media Bill* that seeks to repeal the original BICM Act of 2006 maintains the Director as an appointee of the Royal Civil Service Commission with the power to hire BICMA employees in consultation with the Commission (MoIC 2016, p. 8). Should the Bill pass, it is not entirely a loss for the private sector and BICMA. The 2016 Bill also sets out the establishment of an independent Media Council tasked with adjudicating complaints over media content. The Council is to include extensive membership from private media houses and civil society organizations. The result will be a greater role for the media to regulate itself and a broader, more streamlined regulatory role for BICMA.

Challenges to professionalism were not limited to the regulatory authority. Many of those working within the media are self-taught. The result is a general lack of professionalism. Some of the harshest criticism comes from within the industry itself. One editor, referring to his own newspaper, claimed "You know I am reluctant to let my kids read the paper and learn the English language from there". All media stakeholders agreed that improved professionalism is needed for the media to pursue its governance role to promote the values of transparency and accountability. DoIM has provided a range of capacity building opportunities to the media houses as have the Bhutan Centre for Media and Democracy (BCMD) and the Bhutan Media Foundation. The media houses, however, have not always been full partners in these initiatives. In some cases, this was due to the challenge of releasing anyone to attend training given their small staffs and tight publishing deadlines. In other cases, respondents from the media houses again pointed to the mistrust that exists among them. This mistrust fuels a concern

about attending training with competitors. Moreover, early on DoIM and BCMD both reported doing an ineffective job of integrating their training and workshops to build on their respective strengths and avoid duplication. A BCMD respondent argued that the CSO had not been able to carve out a clear role for itself when interacting with DoIM. The dynamics of the policy implementation process have therefore created barriers to professionalism despite there being no conflict over the professionalism priority itself.

2.3 Inconsistencies in Cultural Content

The Department of Information and Media is a strong proponent of local cultural programming. Some media houses have collaborated with DoIM in its initiatives to promote local content, particularly when financial support is available. Collaborating on local cultural content is accompanied by rules developed by BICMA to promote Bhutanese cultural values and practices. The *Rules on Content* outline a set of general principles as well as specific details around the nature of media content. The rules themselves were somewhat of a source of confusion as to their scope of application. Some parts of the rules outline their application to the "ICT and media industry" while others apply them only to the film industry (BICMA 2010a). Nonetheless, the content within the rules has had significant influence. Media content is to maintain harmony, balance, and the principles of Gross National Happiness. Content must not undermine the sovereignty or security of the state and must be consistent with the "sensitivities and expectations" of Bhutanese cultural values. The rules further outline that media programming must be in English or *Dzongkha* unless otherwise approved by BICMA. As the national language, the promotion of *Dzongkha* is viewed as a key part of fostering a national cultural identity. At the same time, there are exceptions to these regulations given the international origin of some media programming. The public radio broadcaster, BBS Radio, is also exempted from the language regulations and is allowed to broadcast in the languages of the *Sharchop* and ethnic Nepalese in addition to English and *Dzongkha*. The implementation of these regulations and their exceptions has inconsistently shaped the nature of cultural programming across different media platforms. Some media houses have used the inconsistent regulations to push their own interests. The result is a cultural cocktail as the media

industry tries to navigate how a dynamic Bhutanese culture should be expressed.

Private radio largely focuses on music and call-in programming. The nature of this programming reflects an ability of some media houses to use the language regulations to pursue their on-air interests. Music programming offers what is popular among listeners in the two languages allowed: English language popular music from North America and *rigsar*, a Bhutanese form of popular music with Indian and western influences that uses a vernacular form of the *Dzongkha* language. *Rigsar*'s incorporation of local and international musical influences is accompanied by the frequent use on the air of "Dzonglish", a mashup of *Dzongkha* and English. Respondents from private radio stations made no apologies for this cultural hybridity. They viewed their programming as a key Bhutanese cultural vehicle, embodying a cultural dynamism that is desirable if Bhutanese music is to grow, evolve, and maintain its popularity. They did not see this expression of cultural dynamism as a threat to underlying Bhutanese cultural values but as a way to consolidate them. Call-in shows were similarly viewed as vehicles for promoting a cultural dynamism that strengthens Bhutan's oral tradition and creates cultural bonds across communities. The medium allows for evolution and dynamism, according to multiple respondents, but the cultural practices and their underlying values of unity and interconnectedness are preserved through this dynamism. A number of respondents from DoIM lamented the dominance of a hybrid culture on private radio. They recognized, however, that the regulations were not being violated.

The television industry moves far beyond cultural hybridity. On the one hand, BBS Television broadcasts programming with content that is almost entirely local. On the other hand, cable television is subject to far less regulatory constraints given its origin in India. The Bhutanese government has regulated the number and kinds of channels on cable stations but the specific content represents a cultural and linguistic free-for-all of global proportions: Bollywood movies, American reality shows, Australian versions of American reality shows, South Korean music programs, Indian soap operas, UK nature shows, American movies, and news channels ranging from CNN to BBC to Al-Jazeera. With this programming comes a barrage of Indian advertisements for consumer goods, many of which, such as the ubiquitous ads for skin lightening cream, are based on perceptions of beauty defined in western terms. Regulation by BICMA of specific television content does not occur

given the foreign source of the cable channels. Steps have been taken to ban entire channels as being antithetical to GNH including Fashion TV, MTV, and a sports station that carried wrestling. The influence on Bhutanese children of televised wrestling, with its ghoulish characters such as the Undertaker performing violent moves like the “choke slam”, has been of considerable concern in the country. The station ban, however, ended up being short-lived. A night of cable television viewing in Bhutan is therefore not one of traditional or even hybridized Bhutanese cultural entertainment. It is an evening of exposure to the glorification of consumerism, violence, and sex appeal. With little regulation possible within Bhutan, interactions among cable providers and the government have not been particularly conflictual. Yet debate and concern among government respondents remain around the influence of international television programs on Bhutanese culture. That debate has not yet been resolved.

The domestic movie industry is not considered part of the mainstream media in Bhutan but its experience with regulation provides a striking counterpoint to the radio and cable television industries. While radio illustrates cultural hybridity and cable television a cultural free-for-all, regulation of domestic movies represents a cultural straight jacket. Bhutanese-made films have experienced enormous success domestically despite the small size of the country. Bollywood movies in Bhutanese cinemas were completely supplanted by locally produced movies in the early 2000s. The success was market driven given local demand. Bhutanese films maintain many of the film-making conventions of Bollywood but are developed around Bhutanese themes, cultural practices, norms, and stories. And while this content has proven to be popular from a market perspective, it is also mandated and strictly enforced by BICMA. The *Film Guidelines and Code of Practice* requires Bhutanese films to uphold national harmony and Gross National Happiness (BICMA 2010b). In practice, this requires movie-makers to adhere not only to the prohibitions found in the *Rules on Content* but the required use of national dress and the *Dzongkha* language in all movies. Further, a Film Review Board reviews all movies to ensure the content is “not antithetical” to the cultural values of Bhutan (BICMA 2010c, p. 6). Review panels not only catalogue objectionable scenes and language, they assess a range of technical issues including the quality of the acting, choreography, special effects, musical score, lyrics, dialogue, editing, script, sound, cinematography, and the appropriateness of the movie’s title to

its story line (BICMA 2010c, p. 10). The result, according to a representative of the Motion Picture Association of Bhutan, is creative paralysis and cultural stagnation: "when you have too many regulations … you tend to make a documentary based on a script that has been provided by the regulatory authority". Another respondent in the industry was less charitable, sarcastically stating "even if you have made a very shitty movie, since the language spoken is *Dzongkha* it is a contribution to the nation". Despite the uneasiness of private sector movie stakeholders with the strict regulations around cultural content, these same stakeholders were very positive about their role in promoting the cultural dimension of GNH. At the same time, subtle pushback has occurred. Several movies have been filmed outside of Bhutan. According to several respondents in the industry, the reason was to incorporate more diverse cultural themes. In particular, filming outside of Bhutan enables film-makers to portray Bhutanese characters and experiences without the confines of traditional Bhutanese national dress. No regulations are broken but the actions of film-makers represent a subtle push-back within the regulatory confines they face. This pushback remains firmly couched, however, within the values that underlie GNH. Respondents in the film industry outlined their pride in their cultural products consolidating Bhutanese unity. They just preferred to present this using broader backdrops for the Bhutanese experience.

The media industry's issues around financial sustainability, professionalism, and fostering Bhutanese culture illustrate a dynamic and sometimes conflictual policy implementation process often characterized by emergent issues. Absent in this story again is the role of GNH-specific policy tools. While the five year plans, which became an explicit GNH tool with the 10th FYP in 2008, have guided DoIM's strategies, some DoIM respondents did not have a clear understanding of the role of results-based management (RBM), a key component of public sector reforms, in structuring the plan to connect their actions to GNH. The other GNH tools related to policy implementation had little influence. As was the case with tourism policy, a number of respondents from both state and non-state media organizations demonstrated ambivalence or confusion about the tools. One suggested they are "too complicated" while another dismissed them as "confusing" directly demonstrating that confusion by stating "there are so many things like RBM and MDGs that it gets confusing". Others suggested that the tools, with the GNH Index again the culprit, have muddled their understanding of GNH beyond

the four pillars. Others argued that the GNH tools and the larger GNH discourse have become the domain of non-Bhutanese academics and Bhutanese government elites with poor communication to civil servants and the average Bhutanese citizen.

At the same time, a common set of cultural values consistent with GNH emerged. Throughout the challenges related to sustainability, professionalism, and the nature of culture, all stakeholders agreed that a free and competitive media should play a key role in promoting the values of transparency and accountability in government. Also not in dispute is the importance of maintaining Bhutanese culture based on the values of unity and interconnectedness. All of these underlie the official construction of GNH and the intention of media policy. The conflict and differences that characterized the policy implementation process were, like tourism policy, related to how these values should be expressed in practice. Even in the case of the sharpest conflict over the proposed circulation audit, all stakeholders agreed on the importance of the media's good governance role in promoting accountability and transparency. They differed on which road to take to get there. Commitment to the values is accompanied by division over how to express them in practice. A further challenge, however, is evident. Despite these common values being GNH values, private media stakeholders themselves do not necessarily see it this way. Most respondents in government and those in *Kuensel* and BBS, the two media houses with government connections, described the values they discussed as GNH values. With very few exceptions, the private media houses did not, usually referring to them as Bhutanese or Buddhist values. This was no mere semantic difference. The existence of a commitment to values that are consistent with GNH values is not matched by a common commitment to GNH itself. In fact, many respondents in private media houses placed the media in direct opposition to GNH. They described GNH as merely a policy agenda of the government of the day. There can be, for these respondents, no GNH media. One flatly stated "we will never be a GNH media". Another claimed "we should not become part of [GNH] but have to examine it to decide whether to accept it or trash it". The experience with implementing media policy therefore demonstrates a number of competing forces. The implementation process has created multiple media actors who engage in frequently conflictual interactions. GNH policy tools are largely absent in shaping these interactions yet a common set of values linked to GNH emerges through the conflict. All of this

occurs in the context of disagreements over stakeholders' relationship to GNH itself.

3 Policy Outcomes

The policy outcomes that emerge from this rather messy implementation process largely reflect GNH policy intentions with a significant challenge remaining. Media pluralism has clearly experienced a dramatic change. By 2013 open licensing had resulted in a country of approximately 700,000 people with access to 12 national newspapers, seven radio stations, two national television channels and 58 cable providers (DoIM 2013). This represents a significant achievement. The number of newspapers and radio stations has since dropped as a result of the financial sustainability issue but, overall, increased pluralism has helped promote press freedom in a way that is dramatically different than at the turn of the new millennium. Freedom House ranked Bhutan as "not free" in its 2002 edition of *Freedom of the Press* (Freedom House 2002). The Freedom House index ranks the media of countries as free, partially free, or not free. Out of a possible score of 100, with greater press freedom indicated by a lower number, Bhutan scored 72 in 2002. By 2015 Bhutan's Freedom House ranking improved to "partly free" with its score moving to 59 (Freedom House 2015). The financial sustainability issue is reported by Freedom House as a barrier to a better ranking as is a stalled right to information bill that has languished in the National Assembly for years. While there remains significant room for improvement based on the Freedom House results, respondents in both private and public media described the nature of emerging press freedom with phrases such as "a dramatic sea-change" and "now like heaven". Almost without exception, private sector respondents stated that they are largely free of government influence. The perception of the Bhutanese public parallels this optimism. Seventy-three per cent of respondents in the first GNH Survey thought the media was either completely free or quite free (Centre for Bhutan Studies 2011, p. 390).

Challenges to press freedom still remain. Individual members of the bureaucracy are reported by respondents to occasionally attempt to influence editorial content through a threat to withdraw government advertising. Private newspapers have also faced occasional editorial pressure from their shareholders. Many private sector media companies also talked openly about self-censorship, particularly when it comes to the

royal family. Self-censorship clearly impinges on the freedom of the press. Yet its origin is not in a fear of government retaliation but in a tradition of national loyalty. Wangchuk (2007, p. 284) argues that what is often perceived by westerners as media control misses the reality of Bhutanese editorial policy. Self-censorship is a voluntary decision to contribute to a perceived collective national good. Newspaper editors made the same case. Self-censorship is, according to one, not "…because of intimidation but because it is in our blood". Another referred to it as "personal sensitivities" suggesting, in the case of the royal family, "it's not like Princess Diana and Dodi Fayed, we basically draw a line".

The emergence of a freer media does not on its own guarantee a media that is successfully contributing to good governance. As Bhutan's democracy consolidates, the media is intended to be a watchdog that holds elected officials to account. Newspapers have taken on the watchdog role with considerable vigour. Most respondents from private media houses praised the government and its commitment to a free press. At the same time, they have not hesitated to hold the government to account in ways that were not possible during the monarchical regime. Multiple examples exist of the media uncovering, reporting on, or condemning corruption including cases of illegal land transfers by high-ranking government officials, alleged misuse of public property, and a major lottery scandal. Nonetheless, respondents reported professionalism as a continuing challenge as sensationalism has crept into reporting in the competition for readers. A further challenge is a rural/urban gap as major media outlets are located within the capital. Some newspapers have posted correspondents in rural areas but respondents claimed cost is an inhibiting factor given the finite advertising revenue available. Overall, the policy outcomes related to the media's role in good governance illustrate a media growing into its role as a government watchdog but with concerns over its financial sustainability. The current trajectory of the media in its good governance role is generally consistent with initial GNH policy intentions but it remains under the shadow of an existential challenge.

Policy outcomes related to the cultural dimension of GNH are somewhat more complex. The intent of Bhutan's media policy is to foster the media's role in the good governance dimension of GNH while protecting against the potential dilution of the cultural dimension brought on by a free media in a globalized context. The outcomes that have emerged suggest a mixture of forces that mostly consolidate but also weaken

Bhutanese culture. Notable success has emerged with local media content. Media consumption patterns over the first decade of media policy illustrate an overwhelming preference for local programming and this has grown as the media expands (DoIM 2013, p. 41). The popularity of *rigsar* as a hybridized form of music on Bhutanese radio stations and the complete dominance of Bhutanese movies in local cinemas further illustrate the success of local content. The flip side is evidence of emerging cultural changes that collide with traditional Bhutanese cultural practices and values. Multiple respondents stated that the inconsistency in language regulations across different forms of media has changed language use, often to the detriment of *Dzongkha*, the national language, as Dzonglish is increasingly prevalent. International television is also perceived by respondents as the driver of changing attitudes towards traditional dress. At the same time, local media content maintains significant influence on the popularity of both Bhutanese language and dress (DoIM 2013, p. 66–69). The influence of television advertising generally is unclear. Bhutanese themselves report their own skepticism of the influence of advertising but a fledgling consumer culture appears to be developing (DoIM 2008, pp. 36; 2013, pp. 64).

The cultural outcomes of media policy are therefore mixed. The demand for local content has occurred concurrently with apparent changes in cultural and lifestyle practices in ways that diverge from Bhutan's traditional cultural practices. The question of what a dynamic Bhutanese culture looks like in the media remains an open one. This is perhaps unavoidable. Officials from DoIM voiced concern about the impact of international programming on Bhutanese culture but viewed the differences in cultural outputs as an inevitable and ongoing process of negotiating external cultural influences. Policy outcomes therefore suggest not a divergence from original policy intentions but the reality of an often ambiguous and ongoing process of negotiating a national culture involving a free media and international content.

4 Conclusion

The process of implementing media policy was often one of conflict over the good governance role of the media and differences of opinion (and practice) over its cultural role. Emergent issues and priorities appeared related to financial sustainability and professionalism as governance actors engaged with one another. Within this process, DoIM tended to

be the dominant actor. The private sector was often toothless given mistrust that hampered an ability to act collectively. Civil society actors had somewhat limited influence. At the same time, DoIM's influence flagged when pitted against a shifting grouping of actors involving the Prime Minister and the private sector allied against the mandatory circulation audit. Some private sector actors also effectively pushed the bounds of culture-related media regulations in ways that reflected their own interests. Individual types of governance actors experienced varied abilities to achieve their priorities within different constellations of actors or within inconsistent regulatory contexts.

Despite the conflictual nature of the policy implementation process, the outcomes that emerged illustrate that initial GNH policy intentions were largely achieved, with the financial sustainability problem remaining a key challenge. The GNH-specific policy implementation tools were not the cause of this situation. Governance actors engaged in conflict or differences of opinion in the absence of GNH policy tools that might otherwise structure their actions. Further, these governance actors maintained no common understanding of GNH or commitment to it. Common cultural values emerged, as they did in tourism policy, as the connective tissue between policy intentions and policy outcomes. Media actors pursued different priorities over how specific aspects of media policy should be implemented but their commitment to common values meant they did not dispute the core of the government's GNH policy intention, whether they recognized the connection of the policy to GNH or not. Cultural values constrained governance conflict to operational differences. Yet a major governance challenge exists. Some private sector actors took an extreme position towards GNH by placing themselves in opposition to it despite their priorities and actions being structured by the same values that underlie GNH. The result is the intended governance framework of state and non-state partners working together in the pursuit of a unified national happiness project is on rather shaky ground in the media sector.

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CHAPTER 6

I Will Die Before You Cut My Land

Abstract This chapter argues that local communities are emerging as a powerful influence on Gross National Happiness (GNH) governance in the case of farm road policy. Democratic decentralization has led local government officials to bow to community pressure on road construction even when it violates the intended GNH balance of economic, social, environmental, and governance concerns. This situation is a result of an apparent value shift driven by democratization that has created competing perceptions on the appropriate nature of accountability. The result is farm roads that are effective in the short term but unsustainable in the long term.

Keywords Bhutan · Value shift · Democratic decentralization · Farm road policy · Gross national happiness · Policy implementation · Power

Bhutan completed the construction of its first motorable road in 1962. By 1997, over half of the rural population nonetheless still lived more than a half day's walk from the closest road head (Planning Commission 1997, p. 97). Limited road access to markets means little incentive for farmers to move beyond subsistence production. Beginning with the 9th five year plan (FYP) in 2002, the Bhutanese government sought to address the problem. Farm roads were created as a new category of road and their construction identified as a key component underpinning rural development. Farms roads are to be constructed and maintained

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in a manner that realizes the socio-economic, environmental, and good governance dimensions of GNH. Democratic decentralization has put *gewog* governments and, to a lesser extent, *dzongkhag* governments in the driver's seat in implementing the policy with broader oversight by the central bureaucracy. In this decentralized framework, local communities are emerging as a new source of power. Community pressure on the nature of farm road construction has created conflict across levels of government. Differences emerged over how to prioritize and express GNH dimensions and their underlying values in response to community pressure with implications for the nature of decentralized accountability. Funding and capacity challenges associated with decentralization further complicated the process. The policy outcomes driven by this situation are mixed: farm roads with immediate impact that are unsustainable in the long term.

1 Policy Intentions

A farm road is defined by the Bhutanese government as one that "links agricultural farmland areas to national highways and other roads primarily to enable the transportation of inputs to the farm and agricultural produce to the market" (Royal Government of Bhutan [RGoB] 2013, p. 80). The definition points to the key policy intention. Improving rural accessibility is intended to increase rural incomes, reduce poverty, and decrease food insecurity by connecting rural areas to marketplaces, thereby creating an incentive to enhance agricultural production beyond subsistence (GNH Commission 2009, 2011, pp. 40–42; Ministry of Agriculture [MoA] 2009, pp. 81–84; Planning Commission 2002). Rural road connectivity is also meant to improve access to health facilities, schools, and other social services (Department of Agriculture [DoA] 2009, p. 11; GNH Commission 2011, p. 41). These economic and social dimensions are paralleled by a requirement to construct roads in a manner that is environmentally sound (DoA 2009; Planning Commission 2002, p. 86). The 10th five year plan was explicit in linking farm roads further to the good governance dimension of GNH by using the roads to promote equitable access to common government services (GNH Commission 2009, p. 98). The 11th FYP further adds that farm roads are intended to enable civil servants to better undertake field activities (GNH Commission 2013, p. 18). So, while somewhat scattered across policy documents, farm road policy intends to integrate

the socio-economic, environmental, and good governance dimensions of GNH. The broad benefits offered by farm road policy have led to an implementation process characterized by an explosion in their construction.

2 Policy Implementation

The implementation of farm road policy has been influenced by the nature of democratic decentralization in Bhutan. The Department of Agriculture (DoA) signed a Memorandum of Understandings with each of the *dzongkhags* for the construction of farm roads during the 9th FYP from 2002–2007 (DoA 2009, p. 7). This evolved into greater *gewog* control starting with the 10th FYP (2008–2013). The DoA, and its Engineering Division in particular, continues to provide oversight of standards and guidelines but the actual implementation of farm road construction and maintenance was decentralized. *Gewogs* and, to a lesser extent, *dzongkhags* now hold much greater responsibility for identification, construction, and maintenance of farm roads in order to bring the process closer to citizens in the democratic era. This role was supported by the 10th FYP's dramatic expansion of fiscal decentralization that was furthered in the 11th FYP. Annual grants are provided to *dzongkhag* and *gewog* governments to implement activities, including farm roads that they plan themselves through the five year and annual planning process. The annual grant was split into tied and untied components. The tied portion makes up 80% of the grant and is to be used to implement annual activities that *dzongkhags* and *gewogs* define as part of their annual plans. The remaining 20% is untied and can be used to fund activities outside of the plan giving local governments flexibility to address unexpected needs. *Gewogs* have therefore been given both administration and fiscal power to implement the construction of their own farm roads. At the same time, there is a recognition that as the lowest level of government *gewogs* currently lack full capacity to oversee farm road construction and maintenance. *Dzongkhag* Administrations (DAs) are therefore tasked with providing significant technical support to *gewogs*. This means that there continues to be multiple levels of government involved in implementing the policy. *Gewogs* are designated as the local lead on the ground but they have technical support from DAs with oversight continuing from the central department. In addition to the multiple levels of government involved in farm road policy, international donors play a

role in funding the construction of farm roads. Harmonized and pooled donor funds are used for the annual grants allocated to *gewogs* and *dzongkhags* to implement their annual plans. Some local governments have also accessed individual donor funding for farm roads.

The necessity for these various governance actors to interact with one another is demonstrated by the multiple components involved in the implementation process including planning, feasibility studies, construction, and maintenance. Farm road planning begins at the *gewog* level. The elected *gup*, or headman, and the *Gewog* Administrative Officer (GAO) play a lead role in the local planning process. The selection criteria used by *gewogs* to identify farm road location are provided by Engineering Division of the DoA. After planning, a number of pre-investment feasibility studies are carried out by Engineering Division of DoA and *dzongkhag* level engineers. A detailed survey for the design of the road is carried out by the *Dzongkhag* Engineer (DE). An environmental clearance is further required by the National Environment Commission (NEC). The environmental clearance was initially carried out by the NEC itself but with decentralization it was moved to the *dzongkhag* level for farm roads under five kilometres in length. The *Dzongkhag* Environment Officer is to play a key role in the clearance as is the *Dzongkhag* Environment Committee. A Forest Clearance must also be carried out and is the responsibility of the relevant Territorial Forest Office, which is a central government agency but located outside the capital. Finally, a social clearance must be undertaken. Everyone in the community who is affected by the proposed farm road must sign-off on its location, known as its alignment. The social clearance is critical to ensure that community members consent to use their land for the alignment of the road.

The actual method for constructing a farm road is then chosen by *gewog* officials. Three modalities exist. The departmental modality involves construction by the central government. The community modality uses labour from the local community to build the road. The contractor modality outsources construction to the private sector. *Gewogs* involved in this study most frequently chose the contractor modality. Monitoring of the contractors to ensure technical and environmental regulations are followed is undertaken by the *Dzongkhag* Engineer and staff. Once a farm road is constructed, the local government is responsible for budgeting for its maintenance. Maintenance modalities again include departmental, community, or the contractor

forms of maintenance. Maintenance funding can be allocated by local governments through the tied component of their annual grant. Farm Road Users Groups made up of community members can also be created with the power to levy fees and tolls to fund maintenance. A rather complex web of interacting actors therefore characterizes the process of implementing farm road policy. In practice, the implementation process has run into hurdles. While democratic decentralization has helped shape the nature of implementing farm road policy, it is also the source of the hurdles.

2.1 Democratic Decentralization in Practice: Emerging Community Pressure

Officials at both the *gewog* and *dzongkhag* levels stated that farm roads are, by far, the developmental activity in highest demand by their communities. Compensation, however, has historically not been provided when private land is needed for the road (DoA 2009, p. 24). Community pressure therefore emerges around the alignment of a farm road. Every household on the proposed road alignment is required to sign-off on the social clearance once they agree to the use of their land for road construction. These same community members then often oppose the use of their land once construction starts. This issue, described by one official as "the social headache", was widespread, occurring in almost every *gewog* in the study. The opposition was often vigorous despite the social clearance sign-off, with one *gup* stating "some people say 'I will die or lay down here before you cut my land'". Such opposition is a recent phenomenon. It was unheard of, according to one official, during farm road construction that occurred as part of the 9th FYP up to 2007. With democratization in 2008, government respondents pointed to democratic decentralization as the cause of the growing willingness of local communities to oppose farm road alignment. A *Dzongrab*, or deputy head of a *Dzongkhag* Administration, demonstrated obvious frustration, stating "Previously people didn't have the guts, now they complain about everything". Other respondents viewed public opposition as a positive political development. "After democratization is in place, people have become a bit open", said one respondent, "so they have started raising more voices and that is good".

These raised voices make demands on multiple people in order to try and change the road alignment so it moves off their land. In some cases,

community pressure is put directly on the private contractors. Members of a household will sign-off on the social clearance allowing the use their land and then confront the contractor once the bulldozer shows up. Another frequent target is the *Dzongkhag* Engineer. Every DE from the *dzongkhags* involved in this study reported being pressured by community members to change the road alignment. In many cases, the community's proposed realignment has negative environmental consequences or violates technical standards. Given the mountainous terrain, realignments preferred by community members frequently require a gradient that is steeper than allowed by the central government's regulations, making the road and its surroundings more susceptible to environmental degradation. At the same time as they receive pressure from the community to violate environmental and technical standards, DEs also reported receiving pressure to maintain these standards from the *Dzongdag*, the head of the DA, and the central department in Thimphu. This places DEs in a difficult position. According to one: "we are like fish in the middle of two flat stones".

The private contractors and *Dzongkhag* Engineers appear to receive the most pressure from community members. But there are additional cases where *gups*, as the elected heads of *gewog* governments, were also pressured by their local voters. The sentiment of being squeezed from above and below was again common, this time with potential electoral consequences: "I am in the middle as *gup*.... The public thinks the *gup* is of no use as he is not fulfilling their wishes or desires but when the gup listens to the public, the *dzongkhag* officials sometimes criticize *gups*". Officials at both the *dzongkhag* and *gewog* levels therefore felt caught between forces above and below them. They responded in a variety of ways. Many officials stated that their first response was to try and educate the public on why the road alignment should not be changed. A common strategy was to point out that households that lose parts of their land to the construction of the road end up seeing their property values rise dramatically once the road is built. In several cases, respondents stated that such education was effective in resolving community concerns. In most cases, however, it was not. Two subsequent strategies were then used. In rare cases, an inability to convince community members that the technical regulations must be followed led to the cancellation of road construction by local officials. A far more frequent response was the bowing of government officials to community pressure regardless of the implications. *Dzongkhag* Engineers from every *dzongkhag* in the study reported that they have changed the alignment of farm roads

despite the community signing-off on the original alignment during the social clearance. They all also reported that such changes often undermined environmental or technical standards.

The apparent willingness of officials to bend to community pressure illustrates an emergent priority among them. On the one hand, the vast majority of respondents recognized and agreed with the GNH policy intention of building roads in a technically proficient and environmentally friendly way in order to promote sustainable access to markets and social services. This was not controversial. On the other hand, these same officials made compromises during the implementation process that undercut their own commitment to the GNH policy intention. Their reason: democratic decentralization requires local officials, both elected and unelected, to evolve and be responsive to community concerns. The value of responsiveness trumps environmental and technical regulations in the new democratic era. The implication of this emergent priority is significant. One DE put it starkly: "we build a road we know won't be useful". This sentiment occurred across every *dzongkhag* in the study.

Prioritizing the value of responsiveness was often couched in GNH terms. In Bhutan's emerging democracy, the good governance dimension of GNH requires such responsiveness to citizens and voters. A *gup* stated that his decisions "do not go against the people, so that is GNH". A GAO similarly stated "we fulfill their wishes then everyone gets satisfied and some kind of GNH is developed in them". A new site of influence is therefore emerging in the case of farm roads and is justified in GNH terms. Democratic decentralization, a hallmark of the good governance dimension and the GNH governance framework, is fostering increasingly confident community voices that are now more closely integrated with the state at the local level. Through this deeper integration, they are asserting their priorities onto local officials' decisions. This is a significant development in a country with a history of a passive citizenry over the years of the absolute monarchy. Democratic consolidation is more than elite acceptance of the democratic rules of the game. It requires an engaged citizenry that believes democratic processes and institutions are the most appropriate form of government. The case of farm roads suggests a confident democratic citizenry that engages with public officials is starting to bud in Bhutan. This is a positive development in an emerging democracy. But it also raises an obvious and uncomfortable reality. The gains this represents in terms of democratic

consolidation are offset by potentially undermining the environmental dimension of farm road policy.

Respondents from the central government recognized the emerging challenge. In response, they began trying to reassert central influence midway through the 10th FYP in a way that maintains the decentralized implementation of farm road policy but engages a broadened conceptualization of good governance that better balances governance, socio-economic, and environmental concerns. Respondents at the central level did not accept that responsiveness to democratic citizens should drive the technical nature of road construction. According to a high placed official in Engineering Division of DoA, good governance is not merely responsiveness to citizens, it is also being effective in building farm roads that promote sustainable rural access and minimize environmental destruction. This demands balancing accountability of local officials to voters with accountability to the technical specifications that are supposed to be followed. Good governance, to this official, is as much about the value of effectiveness as it is about responsiveness.

The central government faced a significant hurdle in trying to ensure a better balance between technical effectiveness and responsiveness to citizens. Decentralization has eroded the centre's ability to influence farm road construction. The DoA official was blunt about the department's inability to enforce regulations in the context of decentralization: "But come 10th plan, now all this planning process has really become decentralized. *Gewogs* build their own roads and forget us…. Now sometimes we don't even know which road is being built where and how it is being built". The softening of DoA influence was accompanied by poor connections with other relevant central departments. The *Road Sector Master Plan (2007–2027)* outlines the coordinating role of the Department of Roads (DoR) in all roads except farm roads, which are designated as the responsibility of DoA (Ministry of Works and Human Settlement 2006, p. 5). The result, according to the DoA officials, is often poor integration of farm roads into larger road planning undertaken by DoR. Further, the Department of Local Governance (DLG), another central department with a stake in decentralization, was largely isolated. The department regulates policy implementation and evaluates policy outcomes related to decentralization. Despite this role, a respondent from DLG outlined that the Department was largely irrelevant in farm road policy. "It is interesting that we are bypassed", he said, "as we are the Department of Local Governance but we do not know what is

happening". Not a single respondent from any *dzongkhag* or *gewog* mentioned DLG when discussing the interactions of governance players in the implementation of farm road policy.

The loss of power by the central bureaucracy drove an initiative to improve central influence in order to promote more sustainable roads. The Midterm review of the 10th FYP called for the formation of a committee made up of multiple ministries, the GNH Commission, and the National Environment Commission to develop a comprehensive strategy to address the issues that have plagued farm roads. According to a respondent at Engineering Division, the intent was not to reclaim central control but to provide a national strategy to better shape and standardize the decentralized process of farm road planning, construction, and maintenance. Grafting the current Road Sector Master Plan onto a new and comprehensive Rural Road Master Plan that incorporates farm roads was seen as key. The passage of the *Road Act of Bhutan* in 2013 furthered this goal and better clarified the role of the DoR. The Act affirms the need for farm roads to be based on standards set by DoR. *Gewogs* must now submit farm road plans to DoR and their DA for approval (RGoB 2013, p. 13). These initiatives represent a desire at the centre to counter the problem of local officials compromising technical and environmental standards in the face of community pressure. It represents a desire to strengthen consistent decentralization by pairing the values of democratic responsiveness and effectiveness to better promote governance, environmental, and socio-economic linkages.

The emergence of a new locus of community-level power that has driven disagreements between local and central government officials points to a situation where, again, the GNH policy implementation tools could play a role. A familiar theme, however, emerges. The GNH policy tools and structures are not particularly visible, and conceptions of GNH itself are once again slippery and inconsistent. Many local officials who made environmental and technical compromises on road construction often justified this by prioritizing the value of responsiveness within the good governance dimension of GNH. An overriding concern for democratic responsiveness was explicitly linked to realizing GNH. The problem, of course, is that this prioritization undermines the balance with other GNH values. An appeal to a single GNH value subordinated the others. Curiously, respondents in the central government who emphasized a better balance between responsiveness and effectiveness to promote economic-ecological interconnections did not make their argument

with reference to GNH. Quite the opposite was the case. An official in Engineering Division of DoA claimed: "I don't think we have ever related farm roads to GNH". Other DoA respondents similarly saw no connection between farm roads and GNH. Central officials were making a GNH argument while simultaneously denying any link to GNH. Implicit GNH values were in play but their connection to GNH as an official strategy was not. The different appeals to values by local and central officials, one linking them to GNH and the other not, suggest that respondents may have a shallow understanding of GNH that obscures a consistent application in policy implementation.

The GNH-specific policy tools could help address this issue. The local GNH planning tool would engage communities in framing the planning process within GNH terms from the start. The project selection tool could frame the nature of the road construction process while GNH committees at all government levels would provide ongoing monitoring and adjustment in GNH terms. Like tourism and media policy, however, their general lack of use was a missed opportunity. The five year plan was an exception as all respondents were fully aware of how their work fits within the FYP process. This is not surprising as the FYPs have been around since the early 1960s. Explicitly integrating GNH into the FYP, however, only began with the 10th Plan starting in 2008. Most respondents simply did not link the FYP to GNH. Nor did most understand the role of results-based management (RBM) in guiding their FYP work towards the achievement of GNH results. This is despite many of them receiving training in RBM.

A handful of officials did claim to attempt to use GNH committees as part of the process of implementing farm road policy. Three *gewogs* reported that they were still in the process of setting the committees up. Those who claimed they had existing committees were largely unenthusiastic about them. A *Dzongdag*, the DA head, was blunt in his assessment of the committee's usefulness: "We have a GNH committee but what is the difference for having a committee? … Why another monitoring tool? Is it functional, is it practical? So sometimes some structures are not so practical. In this case even [the] GNH committee. What is it really going to do?" Similarly, a *gewog*-level official viewed GNH committees as redundant. He pointed out that a *gewog* GNH committee is supposed to advise the *Gewog* Administration, yet the required membership of the two overlaps. "What are we supposed to do", he said, "provide advice to ourselves?" Some officials connected their ambivalence towards the

GNH tools to their existing values that render the tools unnecessary. According to one official, "We all have Buddhist values so we subscribe to the same priorities". This official remained sceptical about operationalizing GNH beyond a philosophical guide rooted in Buddhist values. The experience of both tourism and media policies suggests that these common values can play a role in bridging differences in the policy implementation process in the absence of GNH tools. In the case of farm road policy, however, two further challenges rooted in the nature of Bhutanese decentralization intrude on the operational expression of these values.

2.2 Democratic Decentralization in Practice: Capacity and Funding Challenges

The challenge related to linking governance responsiveness and effectiveness for meaningful accountability in Bhutan's framework of democratic decentralization was further dogged by capacity and funding issues related to decentralization. Both of these issues influenced the practices of local government officials in ways that are inconsistent with achieving the GNH intention of farm road policy. Lack of capacity is particularly challenging and exists in road planning, construction, and monitoring. *Gewog* Administrative Officers report that they lack skills in facilitating effective local planning. While this is a concern that is larger than just farm roads, the high demand for farm roads makes them one of the dominant areas of *gewog* planning. These GAOs feel they are not facilitating a planning process that accurately reflects community needs and desires. All of them pointed to insufficient training as the culprit. One claimed to have received no training at all. Others received training but of a short duration. The lack of planning capacity among these GAOs inhibits the successful planning of farm roads right from the start.

Lack of capacity is further evident during road construction. Of the three construction modalities available—departmental, contractor, and community—the most frequently used by *gewogs* in the study was the contractor modality. All interviewed *Dzongkhag* Engineers complained about poor technical capacity among private contractors. The complaints are revealing. One claimed that contractors "don't have technical backgrounds. Some haven't even gone to school, forget about technical quality issues". A second pointed to a more fundamental challenge: "Some can't even read". The lack of capacity within private contractors

is further exacerbated by a lack of capacity to monitor road construction. *Dzongkhag* engineering staff may individually have the technical abilities but a lack of sufficient numbers of engineers severely limits their monitoring capacity. According to a central government respondent, *dzongkhag* level engineers are required to monitor five construction projects a year, including farm roads. In all four *dzongkhags*, engineers reported monitoring an average of 20 projects per year. Infrequent monitoring of individual construction projects was the result. According to one engineer: “Suppose I got to the site and see the foundation is being dug, the next time I go to the site it is already level and all. So it is very difficult”. The lack of sufficient engineers is hardly a new problem and was recognized as far back as 2002 (Planning Commission 2002: 91). In an attempt to fill the monitoring gap left by the shortage of engineers, officials without technical backgrounds reported engaging in monitoring farm road construction, something that DoA encourages (DoA 2009, pp. 25–26). This included several *Dzongkhag* Agriculture Officers, *gewog*-based Agriculture Extension Officers, *Gewog* Administrative Officers, and *gups*. While this may help fill the gap, most of these respondents recognized their lack of an engineering background as severely limiting their monitoring effectiveness.

Overall, the lack of planning capacity at the *gewog* level, the poor technical capacity of private contractors, and the lack of sufficient numbers of engineers to monitor construction all compound one another. Capacity gaps exist among three different kinds of stakeholders at three different steps in the farm road construction process. The capacity challenge is further complicated by the lack of sufficient financial resources for *gewogs* to construct farm roads properly. The significant deepening of fiscal decentralization that occurred beginning with the 10th FYP gave *gewogs* a greater ability to control the process of planning, constructing, and maintaining roads in their communities. Fiscal decentralization has formally given Bhutanese decentralization real teeth. The amount of funding available through the annual grants, however, was regularly insufficient to construct the roads in a manner consistent with the GNH policy intention. While the annual grant is divided into two components—80% tied to planned activities such as farm roads and 20% untied for unplanned issues—only two of the 19 *gewogs* involved in this study reported using the 20% for untied activities. The remainder used 100% of the annual grant, tied and untied, to fund the cost of planned activities with the cost of farm roads as the main reason.

And still the problem goes deeper. Some *gewogs* not only used 100% of the annual grant for planned activities but also diverted money to farm road construction from other designated planned activities. In these cases, 100% of the annual grant not only did not cover emergent issues outside of the plan but also did not even cover the costs for all activities within the plan. This situation was not widespread but was significant within *gewogs* where it was reported. The Forest Extension Officer in one *gewog* reported a typical case: "Last year the forestry budget was nil as priority [was] given to farm roads". This situation had further spin-off effects for farm roads themselves. With farm road construction eating up most or all of the annual grant, little money remained to pay for contractors to maintain existing farm roads. The alternative is to form a local Farm Road Users Group where community people maintain the road. Some respondents reported that this works well. In many cases, however, they outlined that community members do not cooperate. Many officials were sympathetic to this. "Why are we making the people in remote areas maintain their roads?" one asked. "Do people in Thimphu [the capital] maintain their road?"

The challenges with the nature of decentralized funding generated a range of emergent practices among local officials. Three responses are apparent. First, some *gewogs* simply did not allocate annual grant funds for farm road maintenance. The result, if community members refused to do the maintenance, are roads that are not maintained at all. Second, the lack of sufficient funding led some officials to abandon the requirement to construct roads in an environmentally friendly manner. According to a *dzongkhag* official: "We have the ability to do environmentally friendly roads but we don't have the funds". A third response was to seek other funds to complete road construction. Funds from donor projects were sometimes sought through the GNH Commission. While this may fill a shortfall, such funds were reported as not being regularly available. Overall, the challenges of insufficient capacity and funding do not bode well for successfully achieving outcomes consistent with the GNH intentions of farm road policy. When combined with the new pattern of influence that is emerging as local communities flex their democratic muscles in ways that do not necessarily correspond to the policy intention, the balance across the socio-economic, environmental, and good governance dimensions of GNH is threatened.

3 Policy Outcomes

Despite the challenges that characterize the process of implementing farm road policy, the most visible outcome is the dramatic increase in rural connectivity. In 2007, approximately 800 km of farm roads had been constructed, increasing to 1980 km by 2010 and 5221 km by 2015 (MoA 2009, p. 82; National Statistics Bureau [NSB] 2016, p. 126). This is significant in a country that is approximately 300 km at its longest length. One of the GNH intentions of this increased connectivity is to decrease rural poverty through improved market access. Measuring the economic impact of farm roads beyond the number of kilometres faces some challenges as farm roads are not the only rural intervention. Nonetheless, a snapshot of their impact on rural poverty emerges through a combination of national statistical data and respondents' own reports and perceptions. Two *Poverty Analysis Reports* released just before and at the end of the 10th FYP demonstrate a dramatic reduction in rural poverty. The national poverty rate decreased by almost half over the time between these two reports, and the reduction is due entirely to a decrease in rural poverty (NSB 2013). The analytical challenge remains of identifying the role of farm roads in contributing to this reduction of rural poverty. Two lines of inquiry suggest that the role of farm roads is significant. First, the data used for the later poverty report show that rural people themselves identify roads as one of the primary areas for continued government support as a means to improve rural economic well-being (NSB 2013, p. 21). Second, respondents across all *dzongkhags* and *gewogs* in this study reported with overwhelming consistency the same kinds of economic outcomes. Many of these respondents provided evidence from their own reports and data collection at the community level as well as their experience directly interacting with local farmers. The picture that emerges is that those households that are connected by farm roads experience an increase in agricultural production and, subsequently, an increase in rural incomes. A common situation was summed up by the administrative head of one of the *dzongkhags*: "If you look at the household income, there is a tremendous difference and it is immediate. The moment a farm road opens, you'll see a lot of plantations… so farm roads are the most important aspect of livelihood". The experience of two *gewogs* in the study that did not have farm roads confirms this situation. Respondents from these two *gewogs* confirmed that agricultural productivity lags significantly despite both *gewogs* being well suited to

grow cash crops. Poverty levels remain higher in these two *gewogs* compared to their connected neighbours. Some caution needs to be used with these findings as they are based on anecdotal evidence and local government reports that may lack analytical rigour but the consistency of the reported results across *gewogs* was striking.

The evident impact of farm roads on agricultural production and rural incomes is matched by reported improved access to a range of social services. This is again evident across all four geographic regions in the study. Access to hospitals or health units was identified by respondents most often. Women are much more likely to give birth in a hospital instead of at home and health emergencies are less likely to end in death. Farm roads have also changed access to education as children no longer have to leave home to go to boarding school. Respondents widely reported that farm roads also impact community and family bonds. Community members are able to visit one another more easily as a result of the roads and family members that have moved are reported to return home to visit family more often. One respondent described how the influence of farm roads on social ties has changed everyone's view of the road: "Even our *Dasho Dzongdag*, now he believes it is not just agriculture, the farm road, it is a community road. It is very important".

Increased rural connectivity and the reported economic and social improvements that result are consistent with part of the GNH intention of farm road policy. Yet the sustainability of this situation is highly questionable. The challenges experienced during the implementation process have led to the construction and maintenance of farm roads that are technically compromised. Economic and social outcomes are threatened by challenges rooted in the lack of capacity, underfunding, and community pressure. Private contractors without sufficient capacity combined with insufficient monitoring have led to construction mistakes. The lack of funds has resulted in many farm roads being built as dirt roads with poor drainage and little maintenance. Only a tiny minority of the 5221 km of farm roads are black topped (NSB 2016, p. 126). Community pressure has also influenced officials to frequently build roads beyond the maximum gradient and in environmentally sensitive areas. The result is farm roads that do not last. The poorly constructed, too steep, easily eroded, and often unmaintained roads regularly become impassable. "You see farm roads under construction taking place all over", stated a *gewog* official. "But after two years they already are

non-functioning". This was evident in site visits in all regions involved in the study.

Technical compromises have led to further environmental problems. Many farm roads in the *gewogs* in the study have deep scars, gullies, and erosion. A frequently reported result are landslides given the mountainous terrain that impact local water sources. So, too, the cutting of trees has impacted watershed management, particularly when additional trees are cut to realign roads due to community pressure. Other ecological impacts are likely. What these are, however, remains unclear. A senior official in the central Engineering Division claimed, "We really have not done any studies but there must be an impact on biodiversity". The overall result of this situation is that the economic and social benefits brought by farm roads may, in many cases, be temporary. Impassable roads with raised community expectations may be the legacy. When combined with the increasing boldness of rural communities to make demands on the policy process, there is potential for growing future conflict between state and communities. The nature of democratic decentralization in Bhutan has therefore driven both the successes and vulnerabilities of farm roads. It has empowered communities as democratic citizens to prioritize and plan farm roads in ways that bring improvements in rural incomes and access to social services. It has also hamstrung the environmental sustainability and long-term viability of these same roads.

4 Conclusion

The policy outcomes evident in the case of farm roads demonstrate that the government's GNH policy intention has been only partially realized. The nature of the policy implementation process is at the root of this situation. The state-in-society approach argues that disaggregated components of the state interact with one another and with non-state entities in ways that may be conflictual or cooperative, often generating emergent issues that reshape the priorities of governance actors. The previous two chapters demonstrated this situation. They also demonstrated that these interactions may have multiple sites where the same kind of actor has different degrees of influence. The implementation of farm road policy provides a further wrinkle. It provides evidence of the emergence of community pressure as a new site of influence in Bhutan that is making an impact on the policy implementation process.

As democratic decentralization takes hold, the shift in power downward has more deeply integrated the state with rural society. Increasingly confident rural citizens now engage directly with local civil servants and elected officials who are democratically accountable to their local voters. In response, local officials prioritized the value of democratic responsiveness over other GNH values, leading to a clash between local and central government officials over the appropriate expression of the values, particularly as it relates to decentralized accountability. This clash witnessed a weakened central bureaucracy given its distance from decentralized implementation of the policy. In this context, officials at the *gewog* level, backstopped by *dzongkhag* officials, were most successful in influencing the nature of farm road construction and maintenance. Yet the dominance of local officials was not really dominance at all. Their actions were shaped and constrained by local voices as a new source of power.

In the cases of media and tourism policies, diverse and fragmented practices during the process of policy implementation did not significantly subvert policy outcomes. A common commitment to GNH-related cultural values, whether the connection to GNH was recognized or not, shaped priorities and actions in ways that limited policy conflicts to the proper operational expression of GNH. Intended GNH policy outcomes, for the most part, were preserved. Common cultural values again emerged in the implementation of farm road policy but their expression was different given the prioritization of responsiveness by local officials in Bhutan's new era of democratic decentralization. The expression of common cultural values was also constrained by capacity and funding challenges that accompany decentralization. This latter issue is not insurmountable. Building sufficient capacity and providing sufficient funding are a matter of mobilizing enough financial resources to address both. Such mobilization would allow common values to be better expressed in policy implementation decisions. But the former issue raises some difficult questions. Why do many local officials who recognize the importance of the interconnected social, economic, and environmental components of the GNH policy intention default to privileging governance responsiveness over other GNH values? Further, why are these interconnected values not evident in the nature of the pressure being applied by local community members? The experience of farm road policy raises the possibility that democratic decentralization may be shifting how GNH values are prioritized. Government officials at the local level singularly focus on responsiveness to citizens while local

communities exercise their emerging political voice to make demands related to their immediate economic needs. The question is whether this is merely a symptom of the relative newness of democratic decentralization or something deeper. Again, the GNH tools could play a pivotal role in refocusing both government and community on the integrated nature of GNH values and corresponding dimensions. Their absence contributes to an emerging question of how GNH values are to be expressed in a decentralized and democratized Bhutan.

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CHAPTER 7

Emerging Ambiguity

Abstract Policy that addresses conflict between wildlife and Bhutanese farmers is explored in this chapter. The policy strives to promote rural livelihoods and reduce animal attacks on crops and livestock without compromising Bhutan's conservation record. No single actor dominates the process of policy implementation as it is uneven across geographic areas and different groupings of governance actors. The Gross National Happiness (GNH) policy tools are rarely used and Bhutan's decentralized framework has contributed to confusing lines of reporting, communication, and accountability. The result is emerging ambiguity around the cause of human-wildlife conflict and evidence of a budding conflict between cultural values at the foundation of GNH.

Keywords Bhutan · Cultural values · Governance · Gross national happiness · Human-wildlife conflict policy · Policy implementation Power

For many farmers in Bhutan, a hard day's labour in the fields is followed by a long night sitting in a make-shift shelter trying to remain awake. Night brings wildlife to the fields in search of easy food. Protecting the fields is necessary if destruction of crops or predation of livestock is to be avoided. While farm roads encourage the production of agricultural surplus by increasing accessibility to markets, the destruction of potential surplus by wildlife represents a complicating factor to improving rural

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incomes and well-being. Human-wildlife conflict (HWC) is a significant threat to rural livelihoods. In response, the government of Bhutan developed an integrated HWC strategy that recognizes the interdependence of the socio-economic, cultural, environmental, and governance dimensions of GNH. The power dynamics surrounding the implementation of the HWC strategy have been less overtly conflictual than the other three policies. They have nonetheless been characterized by applications of power involving both consistent and divergent practices with no patterns across different geographic areas or constellations of actors. These inconsistent practices reflect a challenge with accountability in Bhutan's framework of decentralization. They also suggest a deeper problem. The very nature of HWC itself has become increasingly ambiguous as different governance actors interpret it and its connection to GNH differently. Even more concerning is the appearance of a possible clash of GNH values underlying the ambiguity of the HWC problem. In the absence of a meaningful role for GNH policy tools, policy outcomes have, as a result, been only partially realized.

1 Policy Intentions

Bhutan has a remarkable conservation record. Total forest cover is over 70%, surpassing the country's constitutional directive to keep 60% of all land forested for all time (National Statistics Bureau [NSB] 2016, p. 88). An extensive system of protected areas involving national parks, wildlife sanctuaries, and biological corridors makes up approximately 51% of the country's total area, one of the highest proportions of protected areas in the world (NSB 2016, p. 88). The extensive forest cover and protected areas maintain substantial biodiversity. Bhutan is home to many species that are threatened globally including the snow leopard, golden langur, and Bengal tiger. Yet the success of Bhutan's conservation initiatives has generated an emergent problem. Unlike western models of protected areas, Bhutan does not ban human settlements within these areas. A flourishing population of wildlife and expanded forest habitat has increased interactions between wildlife and farmers. Large populations of wild pigs, monkeys, and deer destroy crops. Elephants that migrate across the southern border threaten crops and homes. Large predators like tigers, leopards, and bears kill livestock. The problem is nationwide with decreased production, food insecurity, and reduced farm income the result (GNH Commission 2009, p. 94; Wang and Macdonald 2006).

By 2008, the problem of human-wildlife conflict forced policy actors to attempt a rebalancing of ecological and livelihood concerns to better reflect the integrated goals of GNH. The intention of the resulting *Bhutan National Human-Wildlife Conflicts Management Strategy* is to link conservation and rural livelihoods as two interdependent and inseparable components: livelihoods can be improved through effective conservation and conservation can be strengthened through sustainable livelihoods. A virtuous GNH circle is the intention. The approach in practice is twofold. First, increase the livelihood opportunities of rural communities by reducing the incidences of HWC and promoting alternative livelihoods rooted in conservation. Second, undertake the first strategy without decreasing current conservation efforts (Nature Conservation Division [NCD] 2008). Decreased rural poverty and continued conservation success are the intent.

Restoring this balance is critical not only for the socio-economic and environmental dimensions of GNH but for interrelated cultural and governance reasons as well. As far back as 1999, strict conservation measures were viewed as potentially eroding traditional cultural values predisposed to conservation by severing the interdependence of human activity from the larger environment (Planning Commission 1999, p. 62). Democratization adds a further complication. It provides an avenue for potentially eroded ecological values to be translated into electoral resistance to conservation (NCD 2008, p. 2). In this context, the HWC strategy views decentralization as central to addressing conservation and livelihoods in a manner that maintains an environmental ethic. Providing local governments and communities with greater control over improving livelihoods and conservation will help maintain traditional environmental values associated with Bhutanese culture. Governance, culture, the environment, and rural economy are all interconnected.

An evolving national strategy is meant to implement the policy intention. A key component of the strategy, in addition to education and ecotourism components, is an integrated conservation and development programme (ICDP) created to mitigate crop and livestock losses while empowering self-sufficiency among rural communities. The program includes the provision of animal deterrents like fencing and alarms, enhanced agricultural production, intensified livestock production, alternative revenue generating activities, initiation of insurance schemes, and improved anti-poaching measures. All of these initiatives are to be implemented within existing government rules and regulations

on conservation. Nine model sites were identified for implementing the strategies with the lessons learned from these sites used to scale-up the strategy across the country. All *gewogs* involved in this study were directly involved in implementing various aspects of the HWC strategy.

2 Policy Implementation

The lead agency responsible for coordinating the HWC strategy nationwide is the Wildlife Conservation Division (WCD), formerly known as the Nature Conservation Division prior to 2010. The WCD is housed within the Department of Forests and Park Services (DoFPS) within the Ministry of Agriculture and Forests (MoAF). Implementation on the ground occurs at the local level but involves a range of players at all three levels of government. As the problem of HWC involves wildlife destruction of both crops and livestock within protected or forested areas, *gewog*-based extension officers representing agriculture, livestock, and forests are the front-line faces of government involved in implementing HWC strategies. They work closely with the *Gewog* Administration (GA), and the elected *gup* and *Gewog* Administrative Officer (GAO). At the same time, the extension workers are *dzongkhag* level officials. Technical support is provided to them by their respective sector heads within the *Dzongkhag* Administration (DA), including the *Dzongkhag* Agriculture Officer (DAO), *Dzongkhag* Livestock Officer (DLO), and *Dzongkhag* Forest Officer (DFO). These *dzongkhag* officials, in turn, work not only with the DA but with their respective central departments within MoAF. As much of the country is designated as protected, officials from within the National Parks, who are central government officials, are also key players. Outside of protected areas, the Territorial Forest Offices, which are central government agencies located outside the capital, play an important role in the enforcement of conservation rules and regulations. International donors provide a significant portion of funding for the HWC strategy activities. So, overall, while the lead oversight role in the HWC strategy is taken by WCD within the Department of Forests and Park Services and front-line implementation occurs at the local level, a wide range of forest, agriculture, and livestock officials at multiple levels of government are involved. The implementation of individual ICDP activities in this context has witnessed diverse applications of power. These applications range from consistent implementation practices across geographic areas with no conflict, to

inconsistent practices across different geographic areas rooted in poor communication, to willing violations, in rare cases, of conservation regulations. Three ICDP activities—livestock intensification, provision of animal deterrents, and enforcement of poaching regulations—are particularly useful in illustrating these different applications of power.

2.1 ICDP Strategies: Consistent and Inconsistent Practices

The strategy of livestock intensification provides the best example of consistent implementation practices involving multiple levels of government. Intensifying livestock production occurs through the replacement of traditional forest grazing cattle with 'improved breeds' through cross-breeding with exotic Jersey or Swiss Brown cattle. Improved breeds are stall fed rather than left to graze in the forest. This has several implications. First, the improved breeds have better milk production which should lead to increased rural incomes. Second, stall feeding removes cattle from being physically located near predators in the forest. Third, stall feeding decreases migratory grazing in forest habitat leading to reduced forest degradation. Livestock Extension Officers, supported by *Dzongkhag* Livestock Officers, work directly with farmers in the process while the central government supplies the exotic cattle to farmers on a cost-sharing basis. Free artificial insemination for cross-breeds of improved cattle is also offered. The creation of livestock groups occurs at the *gewog* level. Formation of these groups is facilitated and supported by Livestock Extension Officers. The groups bring farmers together to produce, market, and sell milk collectively. Funds for the groups are mobilized by *Dzongkhag* Livestock Officers from the central Department of Livestock.

The implementation of this strategy was widespread across the *gewogs* in this study. Moreover, the interactions among implementation actors across three levels of government were remarkably consistent. All *gewogs* in the study brought in improved breeds or used artificial insemination to produce cross-breeds. With the exception of two *gewogs* without farm roads, all *gewogs* also formed livestock groups. While there are differences in the extent that individual communities commit to livestock groups, little conflict or divergent priorities characterized the overall implementation of the livestock intensification strategy. This is a reflection not only of the relatively few governance actors involved but of their common livestock focus, which creates clear lines of communication. Livestock Extension Officers at the *gewog* level directly implement the strategy with

technical support from the DLO at the *dzongkhag* level with financial support from the central Department of Livestock. The relatively small network of governance actors involved, all within the same sector and working with cooperative communities, mitigates the emergence of competing interests or priorities. Nonetheless, the ICDP activity of providing animal deterrents demonstrates that this pattern does not hold with a different set of the same kind of actors.

The provision of animal deterrents was characterized by more ad hoc practices across different *gewogs* with no specific geographic pattern. Deterrents like solar and electric fencing, audio alarms, and visual deterrents are used to keep wildlife away from crops. Numerous Agriculture Extension Officers reported accessing light and sound alarms provided free by the Department of Agriculture (DoA). A small number of them stated that they had requested the alarms but never received them. Still others were aware of the alarms but did not know how to get them. A significant number were unaware of the alarms availability. Similarly, the use of fencing provided by the ministry was also ad hoc. Some *gewogs* received solar fencing from MoAF while others bought fencing from India at their own initiative. Still others were vaguely aware of the solar fencing but did not know how to get it. The divergent practices related to both alarms and fencing demonstrated no pattern across geographic areas. At the root of problem was ineffective communication across levels of government. In contrast to livestock intensification, this occurred despite officials at all three levels of government having the same sectoral focus. The implementation of fencing or alarms made available by the Department of Agriculture, sourced by *Dzongkhag* Agriculture Officers, and put in place primarily by Agriculture Extension Officers was often undermined by poor and unsystematic communication, leading to different practices in different geographic areas. This should not distract from the success fencing has had where completed, as 419 km of fencing assisted 5869 households by 2015 (MoAF 2015, p. 60). But the fractured practices rooted in insufficient communication inhibited greater success.

2.2 *Enforcing Regulations: Looking the Other Way*

Competing priorities among governance actors did not significantly emerge in either livestock intensification or the provision of animal deterrents. Issues with the latter rested in poor communication across levels of government. In the case of enforcing regulations around retaliatory

killing of wildlife, however, there were cases of competing priorities that violated the conservation component of HWC policy. The severity of the HWC problem led some officials to make their own calculations on the proper balance between livelihoods and conservation regardless of the regulations. Officials in a Territorial Forest Office stated that they do not enforce the conservation rules that forbid retaliatory killing given the extent of crop and livestock losses they see. They simply look the other way. "We do not bother much because even if they kill we do not go and fine", said one official. "The policy says we have to bother but in our field level we do not bother because we have to see both ways because the farmers are losing so much". One official linked this inaction directly to GNH, claiming that promoting happiness among farmers requires being sensitive to their immediate economic situation in the light of HWC. A *Dzongkhag* Agriculture Officer went further than simply looking away: "But I advise the farmers, you go and shoot them with this traditional [bow]". He justified such illegal actions in terms of the need to save farmers' livelihoods and the limited damage a traditional bow can do in comparison to a gun. The extent of HWC damage has therefore pushed a number of officials to make decisions based on their own assessment of the proper balance between two GNH dimensions regardless of the policy. Indeed, several local government officials became emotional discussing the impact of HWC on farmers' livelihoods. "We are weeping", said one. The intention of HWC policy may be to balance conservation and livelihoods, but the realities on the ground have led some officials to readjust what this balance looks in their own actions that, in some cases, violate conservation regulations.

2.3 Reporting Human-Wildlife Conflict: Inconsistent Practices and Blurred Accountability

The severity of HWC and the actions of some officials that seek to readjust the balance between livelihoods and conservation is symptomatic of a further problem that ultimately has wide-ranging implications for policy success. As previously discussed, the HWC strategy was developed in a manner that recognizes the multidimensional nature of HWC and the need to ensure local governments play a direct role in its implementation. The strategy therefore engages with the larger process of decentralization in Bhutan. The nature of decentralization, however, has created confusion among local government actors around who is responsible

for the front-line work of assessing and reporting instances of HWC to Wildlife Conservation Division at the central ministry. Divergent and inconsistent reporting practices have been the result.

A national online database to record instances of human-wildlife conflict was created in 2010 by WCD. Officials at the local level are meant to report incidences of HWC through the database, enabling field data to be immediately available to WCD for evidence-based planning and evaluation at the national level. Divergent practices in this process can first be found between the reporting of crop destruction versus livestock damage. Reporting of crop damages is subject to the least confusion. Agriculture Extension Officers located in *gewogs* across all four *dzongkhags* in the study reported taking the lead role in assessing and reporting crop destruction. They consistently reported such destruction to the *Dzongkhag* Agriculture Officer in the *Dzongkhag* Administration. Where reports go from there was less clear. Several DAOs reported sending the information to the Department of Agriculture office in the capital. One sent the information to the *Dzongdag*, the administrative head of the DA. None stated they report the information specifically to WCD, the intended lead organization that houses the HWC database.

Assessing and reporting livestock predation is even less clear. On the one hand, Livestock Extension Officers at the *gewog* level consistently stated that they are to work together with Forest Extension Officers to report cases of livestock predation to both the *Dzongkhag* Livestock Officer and Forest Officer at the *Dzongkhag* Administration. While a number of forest officials concurred with this, others held a different understanding of the process. They believed that it is the Territorial Forest Office or, if within a National Park, Parks officials who are responsible. A small number believed reporting livestock predation is the role of the *gup*, the elected head of *gewog* level government. All of this was further confused by the view of officials within Territorial Forest Offices. These respondents, who are central government employees, stated without exception that they take the lead in assessing and reporting both livestock predation and crop destruction and that these reports go to WCD.

The existence of these divergent practices has likely significantly impaired coherent reporting at the local level. It has also blurred accountability. With different perceptions of who should report to whom, clear lines of accountability do not exist. "There is an unclear line of responsibility… and no formal channels", claimed an extension officer. The confusion over who is responsible for reporting incidences

of HWC is paralleled by confusion over how, or whether, information reported from the field is used at the ministry. “The report goes up and then nothing is done”, stated a Territorial official. Similarly, a Livestock Extension Officer stated “We visit the site and then report to the higher authority but there is no action”. Many of these officials exhibited frustration, suggesting the urgency of HWC for farmers is not matched by bureaucratic efficiency at the centre. “If we want farmers’ support in conservation, we need to quickly compensate them when livelihood is affected”, said one official. For these officials, the perception was that the central government is not accountable for how it uses the HWC data reported from the local level. Divergent practices of reporting and the lack of an effective and reciprocal flow of information between the ministry and local levels have undermined the accountability of both in the collection and use of HWC data.

These challenges reflect a larger issue of reporting and accountability related to decentralization. Bhutan’s model of decentralization has, in practice, been characterized by multiple lines of accountability. The *Local Government Act 2009* sets out lines of reporting and accountability for civil servants within both *Dzongkhag* Administrations and *Gewog* Administrations but these have been subject to diverse interpretations in practice. According to the Act (Royal Government of Bhutan [RGoB] 2009, p. 55), the *Dzongdag*, the chief executive of the DA, has administrative and financial oversight over all civil servants within the jurisdiction of the *dzongkhag*. This means DA officials, including the *Dzongkhag* Agriculture, Forest and Livestock Officers, are accountable to the *Dzongdag* for implementing initiatives that emanate from the *dzongkhag* government. These same DA officials, or sector heads, report that while they are administratively accountable to the *Dzongdag*, they are also accountable for technical issues to their relevant central government department. This means, for example, that a *Dzongkhag* Agriculture Officer is accountable to both the *Dzongdag* at the *dzongkhag* level and the Department of Agriculture at the centre. At the *gewog* level, the Act (RGoB 2009, p. 57) outlines that the elected *gup* provides general supervision of the *Gewog* Administration while the *Gewog* Administrative Officer (GAO) is the head of the GA and accountable to the *gup*. The GAO is responsible for personnel administration of all civil servants from any government agency located at the local level. This includes those, like extension officers, who are *dzongkhag* officials but are posted in the *gewogs*. The extension officers are further accountable to their respective

sector heads in the *Dzongkhag* Administration for work originating from the DA. For example, an Agriculture Extension Officer located in a *gewog* is accountable to both the *Dzongkhag* Agriculture Officer and the GAO. The *Dzongkhag* Agriculture Officer, in turn, is accountable to both the *Dzongdag* and the central department. Two different lines of reporting and accountability therefore emanate out of both the *gewog* and *dzongkhag* depending on the nature of the work.

The confusion around HWC reporting was often rooted in these dual lines of reporting and accountability. This was particularly evident among the front-line extension officers. Some claimed that they have no problem navigating the different reporting lines. Others disagreed. Some reported challenges in balancing activities originating at both the DA and GA. "If we had just one leader we would be more relaxed", stated a Forest Extension Officer. Other extension officers outlined that the *dzongkhag* and *gewog* officials to whom they report often have different interpretations of the same activity or issue. According to one: "Sometimes we come to an agreement with the *gewog* and then the sector head suggests something different, so we cannot decide things on our own". Still others stated that the multiple lines of reporting created a blurriness that allowed them to act autonomously. "We actually monitor ourselves", said an Agriculture Extension Officer. Meaningful accountability in this confusing array of accountabilities is lost. The experience of extension officers is mirrored by confusion among other actors. Many *Dzongkhag* sector heads believed that extension officers are accountable only to them. Multiple *gups* found this disconcerting. "Although it is written in the Act, they haven't implemented it and I doubt it will be possible because we have different levels of thinking", stated one. Other *gups* and GAOs had the opposite view believing that the extension staff reported only to them and not DA officials. For HWC, this confusing situation has meant different practices of reporting and subsequent blurred accountability as different constellations of actors engage in reporting, or not reporting, HWC. No patterns existed across geographic regions.

2.4 Emergent Ambiguity

The lack of good HWC data that emerges from the problems with reporting and accountability has contributed to a growing ambiguity around the very nature of the issue itself. The assumption that underlies the HWC strategy is that the problem is a consequence of Bhutan's

past success with conservation (GNH Commission 2013a, p. 240; NCD 2008). Increased forest cover and protection of wildlife have created a situation where forests and animals encroach on agricultural land and livestock. Yet this assumption is not shared by all government officials. Insufficient data has led to diverse interpretations of the nature of the HWC problem among those implementing the strategy. Diverse interpretations of HWC have a clear pattern. On the one hand, numerous respondents share the official assumption that Bhutan's success with the conservation dimension of GNH has driven HWC. Livestock officials, agriculture officials, *gups*, and GAOs consistently took this position. In contrast, not a single forestry official at any level of government connected the problem of HWC to past conservation efforts. They viewed the cause in polar opposite terms. Human-wildlife conflict for these officials is a result of a rollback of conservation due to increased agricultural production and development activities like farm roads. “Conservation is not at fault for this situation”, claimed a Forest Extension Officer. Another stated “If we didn't disturb them there would be no damage”. “We encroached on their areas”, said a *Dzongkhag* Forest Officer, “so now they must encroach on ours to survive”. Contrast these positions with those of livestock and agriculture officials: “In the name of conservation some farmers starve”, claimed a *Dzongkhag* Agriculture Officer. A central government livestock official concurred, stating “We have been the best in the world at conservation but at what cost?”

The emerging ambiguity around the cause of HWC is further reflected in how officials understood its connection to GNH. The intention of the HWC strategy is to reduce the incidences of HWC, improve rural livelihoods, and maintain the country's successful conservation practices. This is to be done in a manner that consolidates the strong Bhutanese cultural value of conservation and engages local officials in implementing the process. The strategy integrates four GNH dimensions. Only in a small number of cases, though, did officials connect the HWC strategy to all four dimensions. Most identified the HWC strategy with a single GNH dimension, with the dimension being the one they felt was under threat. The majority connected the strategy to the socio-economic dimension of GNH focusing in particular on rural poverty reduction. Respondents who made this connection were, unsurprisingly, generally those that believe the imbalance favouring conservation is the root of the HWC problem. Greater emphasis on poverty alleviation is meant to re-balance conservation and livelihoods. Other officials

connected the HWC strategy primarily to the environmental dimension. Again, unsurprisingly, these are largely forest officials who view the HWC problem as a result of expanded agricultural production at the expense of conservation. In all cases, respondents did not reject the other GNH dimensions but prioritized the one they felt was out of balance. The obvious challenge is that officials fundamentally disagreed on which dimension is out of balance. Ambiguity around the very nature of HWC is the result as different sides promoted diametrically opposed arguments on its cause.

A curious situation is therefore evident. Government officials are implementing HWC strategies with limited overt conflict, recognizing the existence of communication and accountability problems. At the same time, they are implementing these strategies based on fundamentally competing assumptions that confuse the very nature of the problem and its connection to GNH. The ambiguity created by these competing assumptions suggests the problem of HWC may be more complex than originally recognized in the creation of the HWC strategy. Several respondents recognized the degree of this complexity, suggesting that *both* conservation success and expanding agricultural production, two seemingly opposing processes, have generated HWC in different ways at the same time. The lack of sufficient data given the challenges with reporting has potentially obscured a clearer understanding of this complexity. Individual processes and forces may have multiple and contradictory effects in different contexts.

Policy tools and processes that are sensitive to the complexity of interdependence are necessary in such a situation. The GNH policy instruments were developed to recognize such interdependence. Yet, again, GNH instruments played only a minimal role in practice. There is fairly significant overlap in the types of *dzongkhag* and *gewog* officials involved in both the implementation of farm road policy and the HWC strategy. The perspective on GNH tools found among these types of officials in the previous chapter is therefore replicated among them in the case of HWC: often unknown, unused, or perceived as redundant. Of those officials involved only in HWC and not farm roads, particularly livestock officials, the situation was very similar. Most claimed to either not use any GNH tools or were unaware of them. At the ministry level, GNH committees were a source of particular confusion. Officials in the Department of Agriculture and Department of Forests and Park Services, two departments involved in HWC and located within the same ministry,

provided contradictory views. A DoA respondent pointed to the ministry as not having a GNH committee and how this is a lost opportunity: "In principle we are supposed to have GNH committees but in practice, I think it is not occurring to the expected level. I can even cite an example within our own ministry. If it happened regularly I think it would really help each other". Unlike their colleague in DoA, officials in DoFPS argued that the ministry actually does have a functioning GNH committee but that it is the Policy and Planning Division, a pre-existing body within each ministry. To these respondents, the GNH committee was a redundant label placed on an existing structure.

Common cultural values connected to GNH again emerged in the absence of GNH tools but their influence on the implementation of the HWC strategy was complicated. A common sentiment among most respondents was that the cultural values of compassion and interconnectedness mean killing wildlife is wrong. Many connected this value directly to GNH. "Killing is against Gross National Happiness", stated one official. Most respondents held this position, including many who felt aggressive conservation is the cause of HWC. In these cases, conservation itself was not opposed, just its current imbalance with livelihoods. Nonetheless, the common commitment to the sanctity of life was also the source of internal conflicts as HWC drives some to face ethical trade-offs. One *dzongkhag* official made the case that prohibiting killing needs to be rethought in the light of the need to value human dignity. "Because if you don't have anything to eat or wear in your home, if your family is not happy, how does GNH come?" he said. He continued, "Some may think that killing is not GNH but, to me, if you have no choice, something has to be done". Others pointed to ethically difficult choices increasingly faced by farmers. "We respect all life forms, nobody wants to kill animals", stated an official. "Blind faith in Buddhism occurs rurally, so human-wildlife conflict sometimes forces them to do things that they feel are sinful but must be done". Some engaged in ethical gymnastics in an attempt to reconcile competing values. A frequent story officials related was of farmers who, after slaughtering livestock as part of alternative livelihood activities, refused to admit killing it and instead claimed the animal died falling off a cliff. Many extension officers argued that these ethical contortions and trade-offs have generated considerable frustration among farmers.

The existence of these value trade-offs demonstrates a situation not evident in the previous three policy fields. In the case of tourism

and media policies, governance actors often engaged in conflicts or interactions characterized by differences over the balance of the GNH dimensions. These conflicts were limited to operational issues with an underlying common commitment to GNH-related values ensuring a general consensus on the GNH policy itself. Farm road policy introduced a complication. It demonstrated not only the limitations on expressing common values due to funding and capacity challenges but the potential influence of democratic decentralization on local officials re-prioritizing certain GNH values and subordinating others. The case of HWC policy suggests a further, deeper issue may also be at play. It illustrates that the underlying cultural values of GNH may themselves come into conflict. The severity of HWC has created a situation for some where the value of economic dignity directly clashes with valuing the sanctity of all life. The issue is not one of appropriate balance or prioritization but of two values at odds. The implications for policy are significant if conflict occurs at the level of values. Clashing values may ultimately lead to competing and incompatible priorities at the level of policy intentions, a situation that could potentially undermine the consistent conceptualization of GNH itself.

3 Policy Outcomes

The government's HWC policy intention recognizes the complexity and multi-sectoral nature of the issue. The strategy seeks to reduce HWC to improve rural livelihoods while maintaining Bhutan's successful approach to conservation. Finding an effective balance between the two will ensure the maintenance of the historically strong conservation ethic within Bhutanese culture and avoid the potential hardening of attitudes to conservation that might be expressed through democratic means. Multiple GNH dimensions are tightly interconnected. The complexity of HWC has generated a mix of applications of power in implementing this policy intention. Frequently ad hoc practices by individual government actors trying to respond to the reality on the ground were combined with a confusing process of decentralized information exchange and accountability. The GNH policy tools that might help guide implementation actions were absent. Power did not necessarily conflict, but its expression was again fragmented. All of this was based on a foundation of competing views on the cause of the HWC problem and the emergence of a budding value conflict.

The policy outcomes generated by the implementation process reflect this complexity. Assessing the effectiveness of the HWC strategy is faced with the immediate challenge surrounding the inconsistent reporting of HWC and the resulting ambiguity. Indeed, a 2013 report released approximately five years after the initiation of the strategy lists only the development of the strategy itself as an outcome (MoAF 2013, p. 63). The 11th FYP document (GNH Commission 2013b, p. 333), also released in 2013, outlines one of its activities as the need to continue to "study and understand" the cause of HWC. Other documents demonstrate the ongoing problem despite the strategy's implementation since 2008. Fifty-six per cent of farming households in 2014 were affected by crop destruction due to HWC (DoA 2014, p. 27). The 11th five year plan estimated that annual crop losses represent up to 18% of total household income (GNH Commission 2013a, p. 240). The 2016 mid-term review of the 11th FYP further outlined the persistence of HWC as an ongoing challenge in multiple gewogs (GNH Commission 2016). By mid-2016, Prime Minister Tshering Tobgay continued to identify crop destruction as a major source of rural anxiety (Tobgay 2016, p. 34). Overall, this demonstrates a significant HWC problem remains.

Outcomes reported by respondents themselves reflect the ambiguity that has emerged around the nature of HWC. Mixed views existed on the general success of mitigation strategies. About two-thirds of respondents at the local level stated that HWC remains a significant problem or has increased. The other third argued that the problem of HWC is not particularly significant. A clear sectoral pattern emerges across these responses. Agriculture officials at both the *gewog* and *dzongkhag* levels dominate those who believe the problem remains significant and is increasing. In contrast, livestock officials represented the vast majority of respondents who feel the problem is of little significance or decreasing. The reason for this is likely due to the greater frequency of crop destruction versus livestock predation. Agriculture officials will encounter HWC more frequently than livestock officials. It is also likely due to the success of the ICDP livestock intensification strategy. The largely smooth political process of implementing the intensification strategy is matched by primarily positive results reported at the local and national levels. Local livestock officials across the *gewogs* reported an average of three-fold increases in milk production among improved breeds. The activities of farmers' groups built on this success. Livestock officials within the central department reported increased monthly household incomes of

farm group members ranging from 5000 to 30,000 ngultrum (approximately US$88–$525). Some respondents also reported improved quality of local forest cover as a result of the replacement of forest grazing cattle with stall fed breeds. This observation requires some qualification, though, as a number of studies of Bhutan demonstrate a more complex relationship between grazing and forest regeneration, with grazing contributing both negative and positive effects (Darabant et al. 2007; Roder et al. 2002). The ecological impact of reducing local breeds may therefore be less conclusive than respondents think.

The influence of the HWC strategy on reducing retaliatory killing of wildlife is not completely clear. Retaliatory killings have generally not been a significant issue in Bhutan. The policy implementation process illustrated, however, that some farmers are faced with making difficult ethical trade-offs between maintaining the sanctity of animal life and the need to survive as farmers. The issue is further complicated by both the admission by some Territorial Forest officials that they look the other way when retaliatory killings occur and the unclear reporting and accountability framework at the local level. The outcome of all this is no clear evidence either way on whether HWC strategies have reduced retaliatory killings. "We don't have concrete data" and "I don't know if it has increased or decreased" were common refrains.

Of significant concern is an apparent emergence from the ethical trade-offs of increasingly negative perceptions of conservation as an important cultural value. Bhutan continues to maintain a strong conservation record with a recent report finding it to have the fourth best record in the world in conserving megafauna (Lindsey et al. 2017). Yet the experience with HWC suggests the Buddhist-inspired cultural value of respecting the sanctity of life and the interrelationship among all living beings may be subject to a growing hardening as it clashes with the value of economic dignity. "Farmers are now very angry", stated a *gewog* official, "they hate animals now". A *Dzongkhag* Forest Officer concurred, stating "They have no positive feelings to the wildlife". Similar claims came from all *gewogs* and *dzongkhags* in this study. These are impressions of government officials and not direct claims made by farmers but most of these officials work directly with farmers and are on the receiving end of farmer complaints. A small number of agriculture officials outlined their own hardening attitude towards conservation given the HWC issue. Their complaints were sometimes directed at their forestry colleagues. They argued that forest officials are too focused on conservation

at the expense of livelihoods, particularly in the case of conserving animals like wild boar. An official in the Department of Agriculture stated, “I personally don’t see why we need to protect this wild boar. Its multiplication power is so much and it is available anywhere. My belief is that if the farmer wishes to kill, let it be”. The implementation of the HWC strategy has therefore not consolidated the conservation ethic within Bhutanese cultural values; rather, its ambiguity appears to be potentially eroding it. Whether Bhutan’s fledgling democracy provides a future avenue to act on this erosion electorally remains to be seen.

4 Conclusion

The implementation of the HWC strategy diverges somewhat from the previous three policy fields. Overt conflict is largely absent but power continues to be exercised in different ways in different contexts. The implementation of livestock intensification was largely consistent across all *gewogs* while the implementation of the animal deterrent strategy involving a separate constellation of similar government actors differed across *gewogs* in different geographic areas with no discernible pattern. The nature of HWC reporting also differed as diverse constellations of actors were involved in reporting and disagreed on who is responsible within the country’s decentralization framework. An overall fragmentation of influence characterized the policy implementation process. Different perceptions of the link between GNH and HWC were also evident as was the general lack of GNH policy tools in shaping implementation practices. All of this rests on a growing ambiguity around the cause of human-wildlife conflict.

The deeper challenge demonstrated by the implementation of the HWC strategy relates to the role of cultural values. Collective commitment to common values shaped the nature of conflict in tourism and media policy by constraining it to the operational expression of GNH dimensions. Farm road policy saw the prioritization of one GNH value over the others. The case of HWC suggested the policy implementation process can experience a clash of GNH values where some are beginning to reject a foundational value entirely. Caution is needed here as this was not widespread but it represents the potential to upend the integrated nature of GNH in the HWC strategy should the value clash broaden. The differences over operationalizing GNH policies found in previous policy chapters may become differences over the very nature of GNH and its underlying values.

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CHAPTER 8

Conclusion

Complex Power, Cultural Values, and Governance

Abstract This chapter synthesizes the main themes from Bhutan's experience implementing four policies using the Gross National Happiness (GNH) governance framework. It further explores the broader insights from Bhutan's experience for governance and human development. It argues that the fractured and contested nature of governance in the policy implementation process should undermine the achievement of GNH outcomes. Nonetheless, socially constructed cultural values often shape the governance process in a manner that successfully achieves GNH outcomes. At the same time, these values themselves are subject to change. This chapter concludes by drawing out two broader insights for governance and human development related to the complex nature of power and the potential role of cultural values in shaping complex power.

Keywords Bhutan · Complex power · Cultural values · Gross national happiness · Human development

The declaration by Jigme Singye Wangchuck, The fourth king of Bhutan, that Gross National Happiness is more important than gross national product signalled the importance of understanding development as a multidimensional concept that moves beyond a singular focus on economic growth. It signalled the need to articulate the many dimensions of being human. The experience of Bhutan and Gross National Happiness demonstrates that putting such a multidimensional development approach into

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action faces significant challenges. Gross National Happiness is not simply an enlightened development strategy being implemented in the world's last Shangri-La. It is a contested concept being acted upon as policy implementation actors engage with one another in cooperative, conflictual, or isolating ways. This chapter synthesizes the main themes that emerge from Bhutan's experience with implementing the four GNH policies analysed in the study. It concludes with a discussion of the broader implications of these themes for governance and the human development paradigm.

1 Gross National Happiness and Governance: Common Themes from Policy Implementation

The experience of media, tourism, farm road, and human-wildlife conflict policies demonstrated that GNH policy implementation practices are diverse and often lead to alliances and conflicts with emergent outcomes. Despite this challenging process, media and tourism policies experienced policy outcomes that were largely consistent with the GNH intentions of policy design. Farm road and human-wildlife conflict (HWC) policies also experienced some success, but the sustainability of their policy outcomes was questionable. Four overall themes emerge from this experience across the four policy fields. The themes help explain the nature of policy outcomes driven by the governance process in GNH policy implementation. The four themes relate to the nature of power in governance interactions, how GNH is understood, the lack of a meaningful role for most GNH-specific policy implementation tools, and the role of cultural values.

1.1 Governance Interactions: Different Contexts, Different Influence

The state-in-society approach directs attention to the battles for dominance among disaggregated state and society actors across various sites. Applying this approach to Bhutan demonstrates something more. It shows that the nature of dominance may be different in different contexts with no predictable patterns despite the participation of the same actors. The application of power in the implementation of the four GNH policies was messy. Power did not consistently flow from a single type of actor or collection of actors. Multiple sites of influence existed as power was applied in fractured and unpredictable ways. The same kind of governance actor exerted different degrees of influence in three different contexts: different policy fields; different constellations, or groupings,

of governance actors; and different geographic areas. In terms of different policy fields, no single type of actor or alliance of actors dominated across all four policy fields. Nor did a single actor dominate within just the two largely centralized policies, tourism and media, or across both of the largely decentralized policies of farm roads and HWC. The central bureaucracy often tended to dominate the implementation of media policy, was isolated and marginalized in farm road policy, and had mixed influence in tourism policy and HWC policy. G*ewog* and *Dzongkhag* Administrations had inconsistent and mixed influence in HWC and tourism policies, yet *gewogs*, driven by community pressure, dominated farm road policy. Civil society organizations (CSOs) were not dominant in media policy but wielded considerable influence as representatives of the private sector in shaping the liberalization debate in tourism policy. Similarly, the private sector exhibited influence in certain cases in tourism policy but was frequently ineffective in pursuing its interests in media policy. International donor voices were often silent, effectively integrated into the Bhutanese government's formal development priorities, but tourism policy demonstrated an ability of some international partners like WWF and McKinsey to carve out new relationships with components of the state that were opposed by other state actors.

In addition to fractured applications of power existing across different policy fields, they also existed within individual policy fields. The same kind of actor sometimes displayed different degrees of influence within a single policy based on different constellations of governance actors with which it was allied or engaged. The private sector and CSOs working together with the government as members of the Tourism Council of Bhutan (TCB) were often marginalized within TCB. Alternatively, they found success with support from some members of the Department of Forests and Park Services when opposing TCB and the Prime Minister over liberalization. TCB itself was often influential in implementing cultural tourism but was marginal in ecotourism where a different constellation of the central government and donor actors dominated. A partnership of central, *dzongkhag*, and *gewog* officials from the livestock sector successfully worked together in the implementation of livestock intensification as part of HWC policy, while a similar partnership of officials from the agriculture sector was much less successful in implementing the animal deterrent strategy. Private sector media actors were mostly ineffective in acting collectively when trying to influence the Department of Information and Media (DoIM) but found some mixed success in

combination with the Prime Minister in opposing DoIM's mandatory circulation audit. A few also found individual success in promoting their own preferred notion of Bhutanese culture. Overall, no predictable patterns exist of specific constellations of actors that consistently apply power successfully.

Different and unpredictable applications of power by the same type or grouping of actors within the same policy field also occurred across geographic areas. Tourism policy experienced *Dzongkhag* and *Gewog* Administrations in some geographic areas as influential actors while completely marginal in other areas. The human-wildlife conflict strategy showed inconsistent practices across different *dzongkhags* and *gewogs* in the provision of animal deterrents and HWC reporting. In all of these cases, different practices again exhibit no geographic patterns. Farm road policy diverged completely, with *gewog* governments and their local communities, dominant across all geographic areas.

The major characteristic of all of these applications of power is, again, their fractured and unpredictable nature across policy, actor constellation, or geographic contexts. Moreover, this unpredictable cocktail of power sometimes drove emergent priorities and outcomes. These emergent outcomes re-routed policy away from original policy intentions, were ignored, or remain unresolved. For example, the intended tourism policy shift to liberalization was re-routed to something more closely resembling what the policy revision intended to change. The emergent priority of both the private sector and the Bhutan InfoComm and Media Authority (BICMA) to professionalize BICMA by completely de-linking it from the public sector was addressed by the ministry in a different manner. The emergent challenges of decentralized accountability in farm road policy and the emergent and conflicting views on the problem of human-wildlife conflict remained unresolved with significant longer-term implications for both policies. Overall, fractured power dynamics among governance actors drive an unpredictable and emergent policy implementation process that cannot be predetermined.

1.2 GNH: Misunderstood and Contested

The existence of fractured and unpredictable applications of power complicates the consistent implementation of Gross National Happiness. Compounding this challenge is how governance actors perceive GNH itself. Gross National Happiness is often understood only superficially,

not understood at all, viewed in isolation from policy or viewed as too complicated. For some respondents, the GNH policy tools themselves have complicated GNH and obscured its understanding. For others, GNH has become the domain of Bhutanese elites and international academics, removing its relevance from everyday Bhutanese life. For many Bhutanese governance actors engaged in the implementation of the four policy fields, the country's national development strategy, and one gaining notable international recognition, is merely a slogan drained of consistent meaning. One of the things intended to define Bhutan is not fully understood by the very people tasked with its implementation. This situation signals a failure on the part of the central government in communicating the nature of GNH both within government and to Bhutanese society at large. A policy prescription that emerges is the clear need for a national communication strategy targeted at all governance actors that clarifies GNH and its role in national development. This is particularly important as the new 12th five year plan operationalizes GNH around the nine domains of the GNH Index rather than the traditional four pillars (GNH Commission 2016). It was these nine domains and their relationship to the four pillars that was often the source of confusion around the nature of GNH among a significant number of respondents.

In addition to the poor understandings of Gross National Happiness overall, the dimensions of GNH and their balance were also contested in the policy fields. The dimensions frequently played off one another rather than mutually reinforce one another as governance actors pursued different perceptions of their appropriate balance, whether they understood this in explicitly GNH terms or not. Conflict over how to balance socio-economic, cultural, and environmental dimensions was a defining characteristic of tourism policy. Competing perspectives also emerged in both farm road policy and HWC policy over the appropriate relationship between economic and environmental considerations. For farm road policy, this led to the short-term triumph of economic considerations at the expense of long-term sustainability of the roads. For HWC, differences over the role of economic conditions versus environmental conditions undermined a common understanding of HWC with longer-term implications on how to address the issue.

Beyond competing notions of how to balance GNH dimensions, individual dimensions were also contested. This was the case with the cultural dimension in media policy where no common practice existed among governance actors on what a dynamic Bhutanese culture should

look like. Much more troubling was the contested nature of the good governance dimension. As good governance acts as the vehicle to pursue the other dimensions of GNH, conflict over what it should look like poses a foundational challenge. Farm road policy demonstrated conflict over what government accountability should look like in the new era of democratic decentralization. Human-wildlife conflict policy was similarly characterized by confusion over reporting and accountability relations within Bhutan's decentralization framework. The collaborative governance experiment with the Tourism Council of Bhutan was subject to often bitter resentment by non-state members of the Council at their perceived marginalization. Tourism policy also saw differences over the appropriate governance role of international actors. Media policy witnessed disagreements over the appropriate nature of the private media's governance role. Clearly, the contested nature of the good governance dimension of GNH is a critical issue in need of resolution. Its structure and instrumental role in promoting the other dimensions of GNH require attention. A further policy recommendation that arises is the need for the Bhutanese government, in collaboration with non-state partners, to clarify the nature of meaningful collaborative governance in practice, including at the level of individual policy fields. The notion of "good enough governance" (Grindle 2007) is helpful here in its prescription of analysing context and opting for best-fit solutions that reflect country conditions and limited resources. Addressing the contested nature of good governance through a focus on best-fit solutions is critical if Bhutan is to better engage state and non-state governance partners.

1.3 The GNH Policy Implementation Tools: Missing in Action

The overall themes to this point are somewhat disconcerting. A multidimensional development strategy that requires a balancing of its dimensions is subject to fractured and unpredictable power dynamics among governance actors who often misunderstand or contest the strategy itself. The GNH-specific policy tools were created to help navigate such a situation. Their use should drive not only a clearer understanding of the nature of GNH but will help shape fractured applications of power so they incorporate the dimensions of GNH. Nonetheless, a clear theme emerging across all four policy fields is the general absence of the GNH tools specific to policy implementation. The project screening tool, GNH committees, and the local GNH Check planning tool were largely

missing in action. Officials from the GNH Commission recognized the general absence of these tools and the project screening tool in particular. They argued that more experience is needed using its policy formulation counterpart, the policy screening tool, before broadening the use of the project screening tool. Yet some of the tools related to policy implementation and planning may be disappearing entirely. As of late 2015, the project screening tool was now described as not being used at all (Ura 2015, p. 12). References in recent official documents to the tools specific to policy implementation have largely been dropped despite the continued referral to the policy design and measurement tools. This is a mistake. It defaults to an assumption of an overall policy process that is rational, orderly, and predictable where the policy implementation process simply translates the intentions of policy design unencumbered by the dynamics of power. The implementation of the four policies clearly demonstrates that this is not the case. Another policy recommendation that emerges is the need for the Bhutanese government to institute the use of the GNH tools related to policy implementation on a much broader scale. Without a concerted effort to apply them in practice, their ability to shape a governance process characterized by fractured and unpredictable policy implementation remains largely unknown.

1.4 Cultural Values: Explaining Policy Outcomes

The previous three themes suggest that GNH policy implementation should be on life support. Governance actors are applying power in different contexts in unpredictable ways, sometimes with unexpected and emergent outcomes. This is done in a manner largely unconstrained by GNH policy implementation tools or a common understanding of GNH itself. Yet the actual policy outcomes generated by the implementation process often tell a rather unexpected story. Tourism and media policies, while continuing to face significant challenges, were characterized by policy outcomes that generally reflected original GNH policy intentions. Despite the fractured power, misunderstandings among some of GNH itself, and the absence of the GNH policy implementation tools, a common commitment among governance actors to common cultural values—the same values that are the foundation of GNH—often emerged to fill the void. These values shaped actions of tourism and media actors, constraining policy implementation conflicts to the appropriate operational balance of GNH dimensions in practice. The policy intention and

the need for balance at its heart were never threatened. Policy conflict was a battle, not a war.

Constraints on the expression of common cultural values also help explain the more mixed policy outcomes of the other two policies. Farm road policy demonstrated that the expression of common cultural values was constrained, in part, by the nature of Bhutanese decentralization. Common values may emerge but the capacity and funding gaps characteristic of decentralization inhibited their full expression on the ground. Something far more consequential was also at play. While tourism and media policies showed a set of common values reducing conflict to the appropriate operational balance of GNH dimensions, farm road policy was characterized by local actors prioritizing a single GNH governance value, responsiveness, over the rest. They interpreted the new democratic era as requiring responsiveness to citizens to take precedence over the other values regardless of the known consequences on farm road sustainability. While this may be temporary and a reflection of the newness of democracy in Bhutan, democratization may be driving a value shift leading to a hierarchy of GNH values rather than a balance of them. Human-wildlife conflict policy provided evidence of another complication. Beyond prioritizing a single GNH value over others, it illustrated that GNH values themselves can come into direct conflict. The severity of the HWC problem caused some governance actors and farmers to reject the traditional value of the sanctity of all life as it was perceived as conflicting with the value of economic dignity. This was on a small scale but the implications for GNH are much more consequential. Value conflict that leads to the rejection of some values at the foundation of GNH upends the inherent balance at the core of the strategy. The future result may be deeper policy conflicts that contest the nature of GNH itself rather than just its operational application. If this is combined with a democracy-driven value shift that places greater priority on responsiveness, including to those who may reject certain GNH values, Gross National Happiness will need to adapt as its value foundation changes. What this adaptation may look like is an open question.

The central role played by cultural values in explaining the nature of policy outcomes that emerge from the policy implementation process points to a further issue that so far in the study has remained largely silent. Gross National Happiness, as discussed in Chap. 3, is constructed on a set of cultural values associated with the Buddhist *Drukpa* majority. The large southern minority of ethic-Nepalese and Hindu *Lhotshampa* at the centre of

the ethnic conflict in the 1990s are subsumed within this national *Drukpa* cultural identity. GNH's cultural foundation is a socially constructed one. A singular national cultural identity is viewed as an imperative to protect against the loss of sovereignty experienced by some of Bhutan's neighbours. At issue, however, is how the implementation of a national development strategy tied to a Buddhist cultural identity is affected by the existence of a southern Hindu minority with potentially different cultural values, particularly given the past conflict. The study found no evident patterns of policy implementation practices in southern Bhutan that differed from other regions of the country. The same fractured and unpredictable applications of power with no clear patterns occurred in the south as elsewhere. In addition, the nature of local cultural values discussed by southern respondents, unprompted, was always consistent with respondents from other regions of the country. No competing value sets were raised. Indeed, some respondents referred to these values not as GNH values or Buddhist values, but as Buddhist–Hindu values. On the surface, there is no indication from this study that the cultural values that often shape the actions of governance actors are different among respondents in the south where many Hindu *Lhotshampa* live versus respondents from other regions where the Buddhist *Drukpa* are the majority.

But a caveat is necessary. The study addressed the *Drukpa/Lhotshampa* issue by including in the sample a southern *dzongkhag* and five southern *gewogs* where large proportions of *Lhotshampa* live. At the same time, ethnicity or religion of respondents was not tracked although a significant number were identifiable as ethnic Nepalese, in both the south and elsewhere, including some in high-level positions in the central bureaucracy. Many other southern respondents, however, were clearly not *Lhotshampa* and stated they were originally not from the south given the common geographic rotation of civil servants. Questions that explicitly addressed *Drukpa* and *Lhotshampa* cultural differences and their impact on GNH or policy implementation practices were also not asked. The "southern issue" remains too sensitive to tackle these questions directly. While this study found no consistent geographic differences in the nature of policy implementation or perceptions of GNH, further exploration is needed with less indirect research methods when possible. Cultural identity can be situationally defined as individuals can hold multiple identities that shift, overlap, and reconstruct based on context (Ross 2009). Has the Bhutanese state's construction of a single national cultural identity and accompanying value-set led to a reconstruction of cultural identity among

the *Lhotshampa* that is indeed "Bhutanese" rather than, or in addition to, Nepalese and Hindu? Or is the Buddhist and *Drukpa* constructed nature of Bhutan's national cultural identity the source of an underlying cleavage that is currently latent yet holds the potential to emerge, as it did in the 1990s, potentially subverting the implementation of GNH as a national development project? This study did not find any evidence of such a cultural value cleavage and, indeed, it found widespread commitment to the values that underlie GNH. Deeper exploration is needed, however, to more fully assess the role of a socially constructed set of GNH values in a multicultural and multi-religious society.

1.5 A GNH State?

The four themes that cut across the policy fields demonstrate that the GNH governance framework has significant potential but this potential has not yet been fully achieved. The state-in-society approach used in the study conceptualized the state as a dualistic entity comprised of an image of unity, coherence, and control, on the one hand, and the actual practices of its constituent parts, on the other hand, that may undermine this coherent image as they engage with one another and societal actors. The interplay between coherent image and inconsistent practices characterizes Bhutan's implementation of GNH. Bhutan has made GNH a key component of the image of the state, a state working with non-state partners in creating the enabling conditions for the happiness of the Bhutanese population. The four policy fields illustrate that the GNH governance framework has indeed engaged a broadened range of state and non-state governance actors and that GNH outcomes are often achieved. This would seem to bode well for the emergence of a GNH state. Yet some of the practices of the policy implementation process also work to undermine this image as they create cracks that fissure through the foundation of a coherent GNH state. The overt conflict or isolation of some policy interactions, while often constrained in their nature by GNH values, subvert the image of a coherent state and its partners pursuing GNH with singular purpose. The inconsistent understandings of GNH itself further demonstrate a state and its partners frequently unfamiliar with the state's own primary purpose. The GNH policy implementation tools were notable primarily for their absence. Common cultural values may intervene and often contribute to the achievement of GNH outcomes, but a frequent lack of understanding of the connection of these values to GNH

simultaneously undermines a coherent GNH image. Guided by the values that underlie GNH, state and non-state governance actors are often successfully achieving GNH outcomes. Many simply do not realize it.

Addressing the policy recommendations identified above—applying the GNH policy tools on a broader scale, implementing a national communications strategy to clarify GNH, and resolving the contested nature of the good governance dimension—would go a significant way to address these issues. They would potentially patch the cracks in the foundation of the image of a GNH state. Doing so would greatly enhance the role of the GNH governance framework in promoting the well-being conditions for development in Bhutan. By continuing to primarily rely on a common commitment to a common set of GNH-related values, however, the policy implementation process will maintain the status quo of often achieving GNH outcomes while paradoxically undermining the state's GNH image. Should value change occur, GNH as an ongoing national project will enter uncertain territory. Bhutan therefore needs to push more deeply in its operationalization of GNH. It needs to, at a minimum, foster a collective understanding of the strategy and its values, including their relationship to other cultural values and emerging value changes, and apply the GNH policy implementation tools much more consistently and broadly. Doing so will more effectively bridge the image of a GNH state with the practices of governance actors on the ground. It will better navigate the politics of Gross National Happiness.

2 Complex Power and Cultural Values: Rethinking Governance in Human Development

At the beginning of this book, the case was made that Gross National Happiness and the human development paradigm are compatible in terms of their practical application. While differences arise related to their ultimate ends and the nature of measurement, their mutual focus on creating enabling conditions for people to reach their full potential makes them compatible and consistent in practice (GNH Commission/UNDP 2011). In the light of this, the purpose of this study is not only to explore the effectiveness of the GNH governance framework in shaping competing governance dynamics in GNH policy implementation but to draw out themes from this experience for the human development paradigm more generally. As a heuristic case study, what insights does Bhutan's experience provide that begin to build a foundation for a

deeper understanding of governance and power in human development? The remainder of this chapter explores two key insights for governance and human development.

2.1 Complex Power

Chapter one made the case that the human development paradigm, and the capability approach as its philosophical foundation, has not adequately addressed the nature of power relations in the application of human development strategies. An assumption of rationality frequently underlies the approach that is insufficient for the complexities of the real world. The Bhutanese case demonstrates that an understanding of power as complex should take centre stage in the human development paradigm. Three things characterize this complexity. First, applications of power are fractured. Individual types of actors exercise different degrees of influence in different policy, actor constellation, or geographic contexts. Second, these fractured applications of power are unpredictable with no obvious patterns. Third, the fractured and unpredictable applications of power may lead to emergent issues and outcomes that may complicate or diverge from original policy intentions. Complex power is therefore not coherent or consistent. Putting human development policies into action must take this into account. Appropriate governance actors and their corresponding influence cannot be neatly identified and their roles compartmentalized for the successful achievement of human development outcomes. Complex power intrudes in ways that cannot be predetermined.

The Bhutanese case further illustrates that complex power needs to be assumed as occurring within the policy implementation process in particular. Human development and the capability approach often ignore or simply assume policy implementation as an apolitical assembly line linking policy design and policy outcomes in a linear and rational way. Unintended outcomes are explained as the result of not taking rational thought far enough to make such unintended outcomes predictable (Sen 1999, pp. 254–257). Again, this rational approach is insufficient for the real world. The planning of human development interventions needs to recognize that the policy implementation process itself is an ongoing theatre for complex power dynamics. Policy implementation plays a politicized intervening role between human development policy design and policy outcomes, with potential to derail the latter.

This understanding of power within policy implementation requires a more nuanced understanding of the public sector. Bureaucracies regularly take the leading role in policy implementation in the Global South. The nature of governance, however, where bureaucracies exist within a more complex web of state and non-state actors, theoretically overturns traditional notions of bureaucratic power. Yet the role of bureaucracies in governance has received insufficient attention in the rush to explore the power of non-state actors (Peters and Pierre 2016, p. 142). Using the state-in-society approach as an analytical lens in this study contributes to addressing this gap. The Bhutanese case demonstrates that in the move to a GNH model of governance, the historically dominant central bureaucracy maintains no consistent power advantage overall. Residue of Bhutan's centralized bureaucratic past certainly remains. For example, some of the actions taken by government members of the Tourism Council of Bhutan or the nature of many media regulations imposed by BICMA, the regulatory authority, point to attempts to assert sometimes burdensome central control consistent with the country's absolutist past. Yet other governance actors, including other government actors, engaged and in some cases pushed back based on their own interests, sometimes undermining consistent central control directly, in the case of TCB, or more subtly, in the case of cultural issues with BICMA. In a more crowded governance implementation process, the central bureaucracy is a fragmented entity acting within a context of complex and competing power. Its influence is potentially as fractured and unpredictable as the influence of other governance actors: dominant sometimes, less dominant other times, and marginal still other times with no clear patterns.

The fractured role of the Bhutanese bureaucracy occurred despite public sector reforms meant to shape the nature of statecraft in the implementation of GNH policies. Some of the Bhutanese reforms were based on new public management (NPM) and its emphasis on creating a more entrepreneurial public sector. Such reforms need to be culturally appropriate and context-specific rather than rely on a universal NPM blueprint (Brandsen and Kim 2010; Brinkerhoff and Brinkerhoff 2015). Ugyel (2016) demonstrates that this was not the case in Bhutan as the entrepreneurial and individualist nature of the NPM reforms did not adequately account for the country's collectivist culture. The current study showed that the reforms indeed seemed to have little influence, particularly the role of results-based management (RBM) in shaping actions towards the achievement of GNH results. Few understood RBM

and fewer used it. This study further demonstrated that the absence of effective and appropriate public sector reforms that might otherwise consistently shape the actions of the bureaucracy provides fertile terrain for complex applications of power. This terrain, again, led to a fractured role for the bureaucracy where successful (or unsuccessful) applications of bureaucratic power had no obvious pattern. A more unpredictable governance process is the result. A similar situation exists with decentralization. Like public sector reform, decentralization needs to be sensitive to cultural context and bureaucratic dynamics rather than rely on standardized frameworks (Smoke 2015). In the Bhutanese case, the structure of decentralization insufficiently accounted for bureaucratic dynamics. Both farm road and HWC policies saw the nature of decentralization itself create barriers to effective accountability relationships across levels of government and, in the case of farm roads, to local democratic citizens. Fertile terrain was again created for fractured applications of power as an inappropriate decentralization framework did not consistently shape actions. This kind of situation potentially upends the role of decentralization in human development. Democratic decentralization is a key component of human development by bringing decision-making closer to those most affected by such decisions. This is a constitutive, or foundational, component of human development by giving people control over their political life. Such control has a further instrumental value in that people and their local governments can then better raise their voices in defining and achieving social, economic, ecological, and other development goals. The Bhutanese case shows that the complex nature of power can undermine the connection between these constitutive and instrumental roles of decentralization. The nature of decentralization in HWC policy fostered power dynamics characterized by the inconsistent implementation of the policy and unclear lines of reporting and accountability. Rather than playing an instrumental role in achieving outcomes important to local people, the nature of decentralization contributed to the resulting ambiguity and confusion around the nature of HWC itself. The constitutive character of decentralization undermined the instrumental one given poor design of decentralized accountability and reporting relationships leading to fractured power dynamics. Farm road policy demonstrated similar confusion over appropriate decentralized accountability relationships within Bhutan's new democratic era. In this case, the application of power by *gewogs*, driven by community pressure but characterized by fractured understandings of decentralized accountability across

levels of government, led to policy implementation actions that subverted the ecological intentions of the policy and resulted in unsustainable roads. The constitutive role of increasing community voices again did not translate into an effective instrumental role that achieved lasting multidimensional development outcomes.

Where does all this leave the governance of human development? The Bhutanese case lays a foundation for understanding power in human development as complex: unpredictable, context-specific, and emergent. If power is complex and infuses policy implementation in a way that potentially intrudes on intended statecraft, how might it be addressed in human development strategies? How might it be navigated in a manner that successfully achieves human development outcomes? Several ideas emerge from the discussion above. First, as other research previously discussed has found, attention must be paid to contextual characteristics and dynamics in designing processes and structures of statecraft like public sector reform and decentralization. The Bhutanese case demonstrates that without effective design, the functioning of the bureaucracy is more likely to become entangled in the fractured and unpredictable nature of complex power. Second, further exploration of the character of multidimensional policy instruments that might shape and harmonize complex power is needed. Bhutan's promise in addressing this issue for policy implementation remains unrealized. The lack of use of the GNH policy implementation tools provides little insight into how effective they might be. Yet their potential should not be sold short. While relatively little can be said at this point, their existing structure is a useful starting point for further exploration in practice. Third, and most critically based on the findings from the Bhutanese case, the role of cultural values in potentially harmonizing complex power needs further exploration. The final section turns to this issue.

2.2 *Cultural Values and Complex Power*

Social science research, according to Lichbach (2009, p. 67), can be boiled down into a single foundational statement regardless of paradigmatic differences: "Discover a difficulty, suggest an explanation, and provide some evidence". The middle component—suggesting an explanation—requires ongoing refinement as "explanation merges with discovery". This study did not set out to explore the role of religious-inspired cultural values in shaping governance in the implementation of

GNH policies. It set out to explore the influence of GNH governance structures and policy tools in shaping the practices of an expanded set of governance actors. What emerged, however, was the greater role of cultural values. Where GNH outcomes were largely achieved in tourism and media policy, the values played a role in successfully shaping complex applications of power. Where GNH outcomes were less firm in farm road and HWC policy, expression of the values was constrained in various ways. Overall, cultural values, when unconstrained, played the central role in shaping complex power in the governance process in the absence of a consistent understanding of GNH or the application of its policy implementation tools.

Much influential scholarship on development largely marginalizes the role of culture or, at best, treats it as mere seasoning that flavours other explanations of development outcomes (Acemiglior and Robinson 2012; Diamond 1997; Easterly 2006; Sachs 2005). The literature on human development and the capability approach is less dismissive but treats the concept with some difficulty. The 2004 edition of the *Human Development Report*, for example, takes a universalist approach to the promotion of cultural liberty as a constitutive dimension of development. Amartya Sen, in contrast, is less likely to promote culture and religion as a constitutive dimension of development given its connection to identity-based violence (Sen 2007). The Bhutanese case treads a different path. Unlike those who largely dismiss culture, it demonstrates that explanations that place culture at the centre of development should not be marginalized. Cultural values not only matter; they may be central in shaping governance actors' complex applications of power in a manner that leads to intended development outcomes. This is not to suggest that cultural values always matter or matter to the same extent, but the experience of Bhutan demands that they be taken more seriously on their own terms. The Bhutanese case also builds on the human development literature. It advances a broader argument where attention needs to be directed towards both the constitutive and instrumental roles of cultural values in human development. They are the foundation of Bhutanese governance actors' understanding of development as well as an instrument for shaping complex power in the pursuit of other socio-economic, ecological, and governance outcomes. The Bhutanese case illustrates that much greater analytical attention needs to be paid to this instrumental role of cultural values in order to better understand how to navigate complex power and drive the achievement of human development outcomes. This

issue also addresses the larger literature on governance more generally. The Bhutanese case illustrates the importance of recognizing non-western values as potentially differentiating the nature of bureaucracies and their relationship with non-state partners in different cultural contexts. Universalization of bureaucratic functioning without sensitivity to cultural value foundations misses a critical factor that can help explain the nature of policy outcomes.

The obvious question in all of this, of course, is which set of cultural values? Is it restricted to Buddhist-inspired cultural values that value the integration, balance, and harmony that are key to GNH in particular? Are western values associated with individualism and consumption an inevitable barrier? While there is something intuitively attractive about the role of Buddhist values given their emphasis on integration and interconnectedness, these questions risk a retreat into the same pitfalls faced by modernization theory: creating discrete cultural categories that are placed in opposition to one another based on their ability to promote or inhibit development. The Bhutanese case, in this sense, would merely flip modernization theory on its head, placing a non-western and non-secular culture as the driver of development rather than as its barrier. But while the Bhutanese case points to the potentially key role of Buddhist-inspired cultural values, it also demonstrates that cultural values should not be viewed as rigidly deterministic. Regardless of the role cultural values may play in shaping complex power, the values themselves are not fixed. In Bhutan, the severity of the HWC problem and the desire to be democratically responsive in farm road policy appear to be reshaping some respondents' interpretations of their cultural values as their context changes. The emergence of such value shifts complicated the successful implementation of GNH policy intentions in both cases. Cultural values in this sense must be understood as socially constructed through shared meaning-making where practices, discourse, and language shape and reshape a common understanding of the world (Ross 2009; Wedeen 2002). Culture is not fixed and stable but evolutionary, influenced by history and embedded in power relations, practices, and institutions. Cultural values can both act on and be acted upon. Culture establishes the "conditions of possibility" rather than rigid and direct causality (Ross 2009, pp. 158–159).

A deeper understanding of how complex power might be addressed in the human development paradigm requires greater attention be paid to this notion of cultural values. Fractured and unpredictable expressions

of power can, despite their complexity, be shaped and harmonized by common cultural values held by governance actors. As the case of Bhutan illustrates, culture can play the dominant role in driving development policy outcomes despite the complications of complex power. Nonetheless, cultural values are themselves open to being acted upon as shared meaning-making changes as circumstances change or as they engage with other cultural value systems. The role of cultural values in shaping power in governance must be recognized on its own terms, but done so in a way that understands its causal influence as reciprocal and subject to evolution. Cultural values are critical and may take centre stage in harmonizing complex expressions of power, but in this role, they are neither stable nor fixed. This is perhaps a middle path understanding, to borrow an appropriate GNH phrase, of the role of culture and its relationship to governance and power in human development. It is a modest first step in developing a better understanding of the factors that might effectively shape the governance of human development in a world of complex power.

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